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Yugoslavia Laws, statutes, etc

THE 1962 FEDERAL SOCIAL PLAN.

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THE 1962 FEDERAL BUDGET.

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THE 1962 FEDERAL SOCIAL PLAN.

("Official Gazette of the FPRY"
No.52---Item No.752,
Belgrade, December 30,1961).

DECREE

PROCLAIMING THE 1962 FEDERAL SOCIAL PLAN.

BASED ON Article 71, Point 2, of the Constitutional Law on the Bases of the Social and Political Systems in the Federal People's Republic of Yugoslavia and on the Federal Organs of Authority, the 1962 Federal Social Plan, which was adopted by the Federal People's Assembly at the meeting of the Federal Council of December 27,1961, and at the meeting of the Council of Producers of December 27,1961, is hereby proclaimed.

P.R. No.49,
Belgrade, December 29,1961.

President of the Republic,
JOSIP BROZ-TITO (s)

President of the
Federal People's Assembly,

PETAR STAMBOLIC (s).

THE FEDERAL SOCIAL PLAN
FOR THE YEAR 1962.

Part One.

THE BASIC PROPOSITIONS OF THE SOCIAL PLAN FOR THE YEAR 1962.

Chapter I.

Assessment Of Economic Movements In The Year 1961.

1. THE BASIC guidelines of the economic policy which had been laid down for the year 1961, had assigned big tasks with respect to development of socio-economic relations and of the economic system, as well as tasks with respect to development of production forces and of material production.

During the course of the year 1961, a series of changes were carried out in the system of distribution of incomes of economic organisations, with the aim of further development of the system of selfmanagement in economy, strengthening the rationality of criteria for the rendering of decisions by the selfgoverning organs and increasing efficiency of economic activities. These changes had had at the same time the aim of stressing more strongly the role of the Communes, as active factors, in the economic policy. The system of conducting and management of economic organisations in the fields of railway and postal, telegraph and telephone services has been adapted to the basic principles of selfmanagement in other fields of economy. The entire system of self-management in the fields of education and medical service has also been considerably developed by means of strengthening of the role of the selfmanaging organs and creating of material basis for self-financing of these activities.

In addition to this, on the basis of the fixed principles, measures were undertaken to reorganise our banking mechanism and the machinery of our credit policy, to carry out changes in the foreign exchange and foreign trade regimes, so that these important and sensitive instruments of our economic policy could be adapted as much as possible to the changed conditions in the method and system of economic activities. An equally important task had been the carrying out of the policy of changing of relations between prices of various groups of goods for the purpose of establishment of clearer and more rational criteria for business operations of our economic organisations.

Simultaneously, the measures of economic policy had been directed towards the securing of conditions for achievement of a continuous growth of production and maintenance of such relations in distribution of incomes as would make it possible to achieve the planned proportions with respect to growth of investment activity, growth of real consumption by the workingmen, as well as development of general consumption and of all services which contribute to the raising of living standards.

The whole of this extensive programme had been carried out during the course of the year 1961 with full mobilization and active participation of all organs of social selfgovernment. Specific changes were carried out in all fields and their principles were laid down by corresponding legal provisions. On this basis, there has been developed a broad activity of the organs of workers's selfmanagement and social selfgovernment, as well as of the organs of the Communes, People's Republics and the Federation, with the object of putting into effect of the fixed principles as efficiently as possible.

The size and scope of these changes, which had meant improvement in the entire mechanism of economic activities, had required a specific time for adaption of economy to the new conditions. The process of adaption, which had lasted for most of the year, had not been a simple one. In broad fields of economy, it has imposed the need of new orientations coupled with changes in the structure of production and the method of operation. Because of all this, the new conditions of economic activities could not have avoided having, provisionally, a corresponding effect on the volume and tempo of production in the year 1961.

2. The development of economy during the year 1961, with respect to production, structural changes, growth of employment and of productivity of labour, as well as encouragement of economic development of the underdeveloped regions of the country, represents a continuation of the basic tendencies from the preceding years; the only thing is that these movements had assumed a slower tempo because of specific circumstances and the necessary adaption of economy to the accumulated changes in the economic system, as well as to the measures which had been undertaken during the course of the year in certain fields. The 1961 Plan had also reckoned with a certain slowing-down of production, but the tempo of production had been slowed-down more than had been expected. The rate of growth of social product, it is estimated, will amount to about 5.5%, and it is lower than the average rate achieved during this past four-year period, and also lower than the rate set in the Plan of Economic Development of Yugoslavia from 1961 to 1965.

3. Industrial production, whose increase had been planned to be 12%, grew during the first 10 months of the year by 7.6%, so that by the end of the year a growth higher than 9% cannot be expected. The biggest departure and the greatest amount of slowing-down had taken place in ferrous metallurgy and in metal and textile industries, which means in those branches which represent a large portion of the total industrial production.

The examinations which have been carried out in the whole of industry and in its individual branches, had revealed that the following had been the main causes of such a movement of industrial production:

(A) certain lack of structural coordination between production and consumption, and the slow progress in agricultural production and its limited absorption abilities , which had rendered difficult the sale of products in certain branches and production groups (metal-processing industry, electric industry, chemical industry, and so on;

(B) insufficient supply of working capital for economic organisations and increased degree of insolvency and contracting of debts, which also had been one of the factors of restriction of production in certain branches and groups of enterprises;

(C) in certain branches (non-metals industry, lumber industry and textile industry) there had not been the expected growth of production because of the setting back of the date of putting into operation of new plants with whose production in 1961 had been counted; and

(D) most of the year, as already stated, passed in adapting our industry to the important changes which have been carried out in the system of distribution of incomes, in the field of prices and in the credit and foreign exchange systems.

The slow progress in production in some of the basic branches, however important it may be from a long-term point of view, had had a smaller effect than the above-mentioned elements, whose effect on the current movement of industrial production had been of prime importance.

4. The slow progress in industrial production had been accompanied with a drop in production in agriculture. The achieved volume of agricultural production is smaller by about 20% than the volume set in the 1961 Plan, and is smaller by about 6% than the production in the year 1960.

Undoubtedly, the effect of the drought and of the generally unfavourable weather conditions had been one of the reasons which explain this decline in agricultural production. However, this is not the only cause and the only explanation. In addition to the drought, the unfavourable economic position of agriculture must also be taken as one of the important elements. Although the relative price ratio had been corrected in favour of agriculture, that improvement had not been sufficient to ensure the necessary degree of accumulation and profitable operation in this branch. Coupled with this element had also been the insufficient scope and tempo of expansion of socially-organised production, whose participation in total agricultural production in our country is still a modest one . For this reason, application of mechanisation, of modern agro-technical and other measures for advancement of agriculture, are limited to narrow frameworks of big production and cooperative forms of production. The slowing-down of purchases of farm machinery, fertilizers and so on by agricultural organisations, as well as the slowing-down of the tempo of capital expenditures, indicates that the ability of absorption of new technical and technological means in agriculture is lagging behind the real needs and the real development of industrial production intended for extended reproduction in agriculture.

5. In other fields of economy whose tempo by the nature of things depends upon the movement of industrial and agricultural productions, slower rates of growth than those planned have also been achieved. The real volume of transport is bigger by about 5.8%, while the rate of growth of building activity amounts to about 9%, despite the high nominal increase in investments in the year 1961. Such rates of growth of production in the basic fields of economy have had as a result a poorer increase in the total social product and national income.

6. In addition to the stated developments in production, the great expansion of internal consumption had also represented an unfavourqble circumstance of economic movements in the year 1961. Nominal consumption had exceeded real material production. In contrast to the preceding years, when the high growth of consumption had progressed parallel with an equally big increase in production, in the year 1961 there occurred a big gap between production and consumption and, because of that, there was a big difference between nominal and real movements.

With respect to the movement of individual forms of internal consumption, the following tendencies were noted:

(1) Investments in fixed assets increased nominally by about 20%. The real increase in investments was much smaller because of the increase which took place in the prices of capital goods and building services, as well as because of the increase in customs duties on imported equipment. It is estimated that the real increase in investments will be only about 5%, which is considerably below the tempo of their growth set in the Five-Year Plan. In connection with this, it is important to point out that the non-economic investments had progressed faster than the economic ones, and that in the year 1961 investments in those branches of industry which represent the skeleton of the structure of investments in the new five-year period, were insufficiently used;

(2) In personal consumption, too, there had occurred a big gap between the real and nominal increase in personal incomes. In the socialist sector, personal incomes had a nominal increase of about 21%, and a real increase of about 11%. Also, with respect to personal consumption, it is striking that, on the average, real pay in all fields of economy had increased more than the productivity of labour in them. Thus, the average real pay in the entire socialist sector of economy had increased by about 5%, while productivity of labour was increased by 3.9%. Parallel with this, there occurred also considerable shifts in the personal income ratio between individual branches and groups of enterprises which sharpened the existing differences between branches;

(3) The expenditures of the budget-financed establishments, public services and independent establishments, also had a dynamic growth as a result of the increase in the incomes of personnel. The nominal increase in budgetary expenditures will amount to nearly 19%; the expenditures on social security will be higher by 24%, etc. In connection with this, it must be stated that the increase in the budgetary expenditures of the People's Committees and People's Republics had been much milder.

7. The stated differences between the volume of production and the intensive cash demand, had created unstable movements in the market, which had been manifested by a considerable increase in prices. The increase in prices had been considerably due to certain deliberate interventions, such as the change in foreign currency rates, price corrections in certain fields of economy, etc. But, the differences between available cash and available commodities which occurred both in the personal consumption market and in means of production market, also had an influence on the increase in prices and market instability. The general index of wholesale prices was shifted by 9.1%; at the same time the producers of industrial goods increased their prices by 4.9%, while agricultural producers increased

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their wholesale prices by 14.1%. At the same time the cost of living was increased by 9.0%. After a three-year period(1957 to 1959) of relatively stable prices, during these last two years big changes have taken place in the market and there has been a big increase in prices, partly due to the deliberate interventions in price policy, and partly as the result of the differences between available cash and available commodities. It is not yet possible to ascertain exactly what effect this price movement had had on the economies of various branches and individual production groups, but there is no doubt that the increase in prices had hindered control of economic courses and, by its retroaction, had created a still wider gap between nominal and real movements.

8. The reduced tempo of production had had a particularly big effect on our foreign trade and on the position of our balance of payments. The balance of payments has been hit most severely by the drop in agricultural production which has not only caused a considerable reduction in export of agricultural products, but also reimposed the need of a relatively high import of basic foodstuffs. As a result of adaption of our industry to the new instruments of foreign trade and foreign exchange regimes, we have also had a simultaneous sllwing-down of exports of industrial products, so that the slight increase in these exports had not been able to make up for the great loss in agricultural exports, so that the total exports will in the main be equal to last year's exports. The reduction in agricultural surpluses has sharpened the regional problems and upset a more even regional division of our foreign trade activities. All this has had as a consequence a sharpening of the problem of deficit in our balance of payments.

9. Many of the occurrences and difficulties which had taken place in the year 1961 are of a provisional character and are the result of the necessary adaption of economy to the new conditions of economic activities. However, the problems connected with the drop in agricultural production, the effect of which is being felt in many fields of economy and in the field of consumption by the population, will unavoidably have consequences for the economic movements in the year 1962 as well. Because of this, it will be necessary to forestall to the maximum these undesirable consequences and to limit them by means of adequate measures of our economic policy.

Chapter II.

The Main Propositions Of The Economic Policy For The Year 1962.

IN SETTING the tasks of the economic policy for the year 1962, it shall be necessary to take into consideration primarily the problems and difficulties which had occurred in the economic movements in the year 1961. Their solving should be on the line of a long-term policy of development as fixed in the Five-Year Plan for the 1961-1965 period, as well as on the line of the results achieved on development and improvement of our economic system. Proceeding from this, the following basic tasks are set for our economic policy for the year 1962:

(1) The most important aim of the economic policy will be acceleration of the tempo of production as the necessary basis for realization of the planned development of economy in the year 1962 and in the succeeding years as the material prerequisite of dealing with the difficulties which had cropped up during the year 1961. The possibility of realization of this aim is conditional upon the existence and operation of all those factors which had in past years, too, ensured a considerable expansion of economy and high rates of its growth;

(2) A faster tempo of development should be achieved primarily in the industry as the leading branch of economy which has a decisive influence on the total tempo of production. The Availability of material and personal factors provides real conditions for a considerable increase in industrial production in 1962. A faster growth of industrial production should, therefore, be achieved by removing the obstacles which in the year 1961 had provisionally held back production in this branch of economy, which meabs by bigger and more adequate formation of working capital, by easing the sale conditions, by a more flexible adaption of the structure of production to the requirements of consumption and of the market, as well as by a fuller utilization of production funds and a timely putting into operation of these plants which are already in stage of final completion. Coordinated action in all these directions is indispensable in order that the industry could continue in 1962 its course of high and rapid growth;

(3) In the field of agriculture, our economic policy will have serious tasks to deal with during the course of the year 1962. These tasks pertain to the general position of this economic field and to the special situation which has arisen because of the 1961 drought. Alleviation of the consequences of the drought will require more decisive measures, primarily in the direction of preservation of the livestock fund by purchasing livestock, collecting and producing animal fodder in the country, and purchasing animal fodder in foreign countries. Increase in agricultural production, after its low volume in two successive years, will assume a special importance in the year 1962. This should be encouraged

by price policy, recompensations and premiums, as well as other economic-political measures which provide a long-term solution of the position of agriculture and agricultural organisations, encouraging them towards augmentation of productivity of land and strengthening of the land basis of socially-organised production, and towards a more intensive application of mechanization and use of artificial fertilizers and other means for production which our industry is able to place at the disposal of agriculture in ever-increasing quantities. Parallel with this, the amount of investing in the production of more important agricultural articles, as well as in the carrying out of such specific programmes as will ensure a faster and more intensive production for the market, will be increased. For these purposes, especially for the new areas of land of agricultural organisations, money from the General Investment Fund will be used on a large scale than up till now. All these measures should be undertaken for the sake of creation of such economic conditions in this field of economy as will ensure a growth of production not only in 1962, but also in the succeeding years;

(4) A maximum increase in production should be made in other fields of economy as well, including also all forms of activity where is is possible to activate on production the existing unexploited labour force, so that there could be attained as high as possible a level of social product, and so that there could be satisfied the need of raising of living standards, and so that there could be compensated to the greatest extent ppssible what has been lost by the slowed-down tempo of production in the year 1961;

(5) Parallel with acceleration of production, and for the sake of more stable economic movements and prevention of jumps in prices, it will be necessary for total consumption to progress in harmony with the really available funds for domestic consumption. In connection with this, it is necessary to bear in mind the fact that these funds will be growing at a rather slower rate than the social product because of the need of intensifying the internal efforts in the direction of reduction of the deficit in the balance of payments. For this purpose, it shall be necessary to ensure, through the policy of all organs, that the increase in various forms of consumption is kept as fully as possible within thd limits set in this Plan. In addition to this, the situation in the year 1962 will demand that special attention be devoted to saving in connection with use of funds and to creation of necessary reserves in economy. Restoration of balance between cash and commodities and stability of market and prices are most closely connected with realization of the tasks which have been set in the field of production and also with a rational and successful functioning of the new economic system. The communal and other selfgoverning organs by their decisions, work and organisation of market and supplies, will also act in this direction since maintenance of more harmonious relations in the market depends also upon their policies and their measures.

6. Real personal incomes in economy should grow in harmony with the growth of productivity of labour, to that, taking the years 1961 and 1962, the necessary proportions are established between personal incomes and productivity of labour, all this in the spirit of the basic policy laid down by the Five-Year Plan for this field. In the realization of this policy of growth of personal consumption, it shall be necessary to remove the excessive differences in the amount of average personal incomes between individual branches and production groups, and also to prevent big differences between the nominal and real movement of personal incomes. Stabilization of the attained level of prices and of cost of living appears as an important prerequisit of this.

When setting aside funds for personal incomes, the economic organisations shall see to it that they at the same time ensure the necessary funds for investment in the funds which serve for the broadening of their material and production basis. They shall make increase in personal incomes in line with the results of economic activities achieved on the basis of higher productivity of labour, greater saving and profitability of business. Consequently, the increase in clear income which comes about because of the price movement or changes in regulations should not, as a rule, be used for increases in personal incomes.

7. The volume of investments in the coming year also must be limited to real possibilities. Any exceeding of these limits causes derangements and hampers the carrying out of capital projects. Because of this, in this important field of economic activity it shall be necessary to reduce the excessive pressure of demand which leads to price increase and to a high nominal growth of investments.

With respect to the investment policy itself, the following most important demands appear:

(A) to ensure in all branches and activities a quicker completion of the projects in hand, which will mean an effective contribution to the growth of production and to exports in the year 1962 and in subsequent years;

(B) to provide in new investments larger funds and ensure priority for those projects the importance of which for a harmonious and dynamic development of production is stressed in the Five-Year Plan, especially those investments which expand production of basic raw materials and of reproduction materials and which increase production for export;

(C) to increase investments in accordance with the policy of accelerated development of the economically underdeveloped regions of the country, and with the object of carrying out of the development programmes under the Social Plan of Economic Development of Yugoslavia from 1961 to 1965; these increases to be made from the special fund intended for those regions. Also, to continue investments in those projects which are now in hand in the underdeveloped regions of the country.

In the carrying out of the stated investment policy, the role of the General Investment Fund shall be more strictly limited th those investments which solve the basic structure problems in production or the planned development of economy, and, in conformity with that, also th, those investments which speed up development of the economically underdeveloped regions of the country.

8. The fact that in the year 1961 there was no increase in exports, that this year's situation of agricultural production has again posed the problem of low exports of agricultural products and high imports of foodstuffs, indicates the difficulties which the balance of payments will be creating in the coming year. Therefore, solutions with respect to the balance of payments will require corresponding efforts both in the fields of production and foreign trade and in the field of internal consumption.

The most important task that presents itself in the year 1962 in the field of foreign trade, is that of maximum increase in export of industrial articles. The projected volume of these exports is a condition for realization in the year 1962 of the planned production and planned imports. Industrial production should, therefore, ensure such surpluses for export as will make up for the insignificant increase in industrial exports in 1961 and fill the vacuum which exists because of the reduction in export of agricultural articles. It shall be necessary to ensure the necessary volume of exports by our investment policy, by a more rational production and introduction of more variety in the articles for export, as well as by a better organisation of our foreign trade apparatus and its firmer linking with the production units.

With respect to imports, it shall be necessary to strive towards a most economical use of foreign media of exchange and ensure, by a relatively slower growth of imports, the projected volume of production. The regional distribution of exports and imports should be adapted to the demands which stem from the balance of payments and from the structure of our foreign payments.

9. For the purpose of a successful accomplishment of the tasks enumerated hereabove, further and more and more lively development of socialist social relations will be continue in the year 1962, by improvement in the existing system of distribution and by strengthening the basic institutions upon which our economic system rests. In that direction, the material basis of the Communes and communal institutions will be broadened still more for the purpose of achievement of their fuller socio-economic activity. In the year 1962, there should find more stronger expression the coordinating role of the People's Republic and there should also be an increase in their funds for a more efficient performance of this role. In conformity with this, the tasks and functions of the Federation will be reduced in a corresponding way and limited to those domains in which under the present-day conditions its activity is necessary and socially justified.

10. The fulfilment of the basic economic-political tasks in the year 1962 presupposes a coordinated operation of all factors and of all pillars of economic activity. The economic organisations will intensify their efforts in the direction of achieving better results in production, at the same time creating conditions for the further necessary increase in productivity and for a more consistent application of the principle of remuneration according to labour. The responsible agencies and selfgoverning bodies shall jointly prepare for various fields of production, trade and business measures the object of which will be to inspire smooth development of production and establishment of necessary proportions between production and consumption according to the 1962 Social Plan. Parallel with this, the current economic movements should be subjected to a most thorough analysis which will point out the means and measures which facilitate and stimulate execution of the tasks enumerated here.

Part Two.

GUIDELINES FOR DEVELOPMENT OF ECONOMY IN 1962.

Chapter III.

Social Gross Product, Social Product And National Income.

I, Production.

1. Proceeding from the size of the available production funds, availability of labour force and possibility of growth of productivity of labour, and counting with the planned amount of exports, it is estimated that in the year 1962 the following real growth of social gross product, social product and national income (in billions of dinars at the constant 1959 prices*) will be achieved:

	1960	1961	1962	Price Indices		
				1961/1960	1962/1961	1962/1960
Social gross product	5,849	6,278	7,116	107.3	113.3	121.7
Social product......	2,757	2,909	3,370	105.5	115.8	122.2
National income	2,559	2,683	3,118	104.9	116.2	121.8

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*) All the data given in the text of this Plan and pertaining to the year 1961, represent a preliminary estimate.

National per capita income, with a 1.1% annual increase in the population, should increase by about 15% in the year 1962 compared with the year 1961.

2. The following tempo of growth of social gross product (in billions of dinars at contant 1959 prices) is anticipated by various economic fields:

	1960	1961	1962	Indices of growth 1961/1960	1962/1961	1962/1960
Total economy	5,849	6,278	7,116	107.3	113.3	121.7
Industry	2,952	3,235	3,643	109.6	112.6	123.4
Agriculture.......	996	934	1,146	93.7	122.7	115.0
Forestry..........	75	84	96	111.6	114.2	127.5
Building trade...	439	477	527	108.8	110.4	120.1
Transport........	381	449	489	117.8	109.1	128.5
Commerce and hotel industry......	488	534	595	109.4	111.3	121.8
Handicrafts......	393	428	468	108.7	109.4	118.9
Other economic activities...	125	137	152	109.9	111.5	122.5

The general structure of material production, based on the structure of available production capacities, and capable of satisfying the corresponding forms of internal consumption, is shown by the following table of movements of the basic production groups presented in index numbers:

	1961/1960	1962/1961	1962/1960
Means for reproduction......	106.1	115.1	122.1
Means for investments.......	108.1	112.1	121.2
Means for personal and general consumption.......	107.7	117.2	126.2

3. The projected growth of production should be achieved by increasing labour force in the socialist sector economy by 169,000 persons, i.e. by 6.2% compared with the employment figure for 1961, and with a 6.7% increase in productivity of labour. It is estimated that in the year 1962 the movement of employment and of productivity of labour in the socialist sector economic fields will be as follows:

	Social product indices	Employment indices	Productivity indices
		(1961=100)	
Total economy	113.3	106.2	106.7
Industry..............	113.0	105.4	107.2
Agriculture...........	135.6	107.6	126.0
Forestry..............	114.2	111.4	102.5
Building trade........	112.4	103.6	108.5
Transport.............	111.3	103.6	107.4
Commerce and hotel industry	111.1	107.2	103.6
Handicrafts...........	114.2	109.9	103.9

A planned level of productivity of labour is an essential prerequisite of of achievement of a faster tempo of production and accomplishment of other tasks under this Plan. For this reason, it shall be necessary for the economic organisations to undertake measures for a fuller utilization of production capacities, lowering of production costs, improvement in the qualification structure of labour force and making of investments which will make possible a continuous rationalization of the process of production; these measures should be undertaken in a systematic way. In their economic activities, the economic organisations should devote full attention to establishment of as proper as possible relations between the growth of production, employment and productivity, so that they could achieve increased production with a smaller labour force.

II. Distribution.

1. Taking into consideration the growth of production in the country and judging the volume of exports and imports, the total available funds in the socialist sector of economy, reckoned at current prices, should be increased from 3,087 billion dinars in the year 1961 to 3,424 billion dinars in the year 1962, or by 10.9% 1)

The Social Plan for the year 1962 calls for the following distribution of these funds among individual categories of internal consumption(amounts in billions of dinars at average current prices):

	1960	1961	1962	Indices of growth 1961/1960	1962/1961	1962/1960
Total available funds of social economy......	2,585,3	3,087,5	3,423,8	119.4	110.9	132.4
of which:						
1. Total investments..	1,129,5	1,317,0	1,433,0	116.6	108.8	126.9
Investments in fixed assets..............	879,5	1,057,0	1,163,0	120.2	110.0	132.2
Investments in working capital funds.......	250,0	260,0	270,0	104.0	103.8	108.0
1.1. Economic invodtments....	391,5	1,030,0	1,117,0	115.5	108.4	125.3
Investments in fixed assets...	641,5	770,0	847,0	120.0	110.7	132.5
Investments in working capital funds.........	250,0	260,0	270,0	104.0	103.8	108.0
1.2. Non-economic investments....	238,0	287,0	316,0	120.6	110.1	132.8
Investments in social standards	204,1	250,0	281,0	122.5	112.4	137.7
Other non-economic investments....	33,9	37,0	35,0	109.1	94.6	103.2
2. Recompensations and subsidies..........	75,8	93,1	99,0	123.4	105.9	130.6
3. Current material expenditures on general consumption.........	335,8	419,7	452,7	125.0	107.9	134.8
4. Personal consumption	1,015,7	1,225,0	1,360,5	120.6	111.0	133.9
5. Federal economic reserves..............	——	——	60,0	——	——	——
6. Errors and ommissions in calculation......	28,5	32,3	18,6	——	——	——

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1) The average achieved prices in the year 1961, have been taken here and in the rest of the text as the current prices for the year 1962, unless otherwise stated.

2. The following economic-political aims should be achieved by the basic distribution of social product and available funds in the year 1962:

(1) reduction of deficit in the balance of payments because of the smaller amount of additional foreign funds, on account of which the available funds for internal consumption will be increased at a slower rate than the social product;

(2) parallel with the increase in available funds, personal consumption in the socialist sector should also grow, while investments for development of social standards services will be increased at a rate more intensive than the rate of increase of these funds;

(3) other categories of basic distribution, including economic investments, should also increase at a slower rate than the rate at which available funds are growing;

(4) from the total mass of the newly-created product, there will be formed a federal economic reserve amounting to 60 billion dinars; this money will serve for increasing the material reserves, and also for any necessary economic interventions for the purpose of fuller accomplishment of tasks under this Plan.

3. The movement of available funds and of personal consumption in the year 1962, corrected by the cost of living level at the end of 1961, which is from 4% to 5% higher than their average level for the year 1961, should be as follows (in billions of dinars):

	1960	1961	1962	1961/1960	1962/1961	1962/1960
Available funds	2,585,3	3,087,5	3,472,0	119.4	112.5	134.3
Personal consumption...	1,015,7	1,225,0	1,408,8	120.6	115.0	138.7

4. It is of great importance to maintain the growth of various forms of consumption, and of consumption on the whole, during the year 1962 within the limits set in Items 1 and 3 of this Section. By the putting into effect of this Plan and by the current measures of our economic policy, it will be necessary to exert an active influence on maintenance of necessary proportions in basic distribution.

5. In view of the fact that, in our social relations and in the given conditions of economic activity, the creation and distribution of social product is the result of the operation of different pillars of economic activity - the economic organisations, Communes, People's Republics and other selfgoverning bodies - and that their adequate cooperation in basic distribution is a condition and a presumption of fullest development of production forces, this Plan envisages the following participation by the basic pillars of socio-economic activity in the distribution of social product and of total available funds (amounts in billions of dinars):

	1960	Structure	1961	Structure	1962	Structure
I. SOCIAL PRODUCT.....	2,202,3	100.0	2,670,8	100.0	3,051,0	100.0
in this:						
(1) participation by the Federation	617,9	28.0	645,5	24.5	738,4	24.2
(2) participation by the People's Republics.......	231,5	10.5	302,9	11.3	379,0	12.4
(3) participation by other selfgoverning establishments....	270,0	12.3	359,9	13.5	404,0	13.3
(4) participation by economic orgns.	1,082,9	49.2	1,362,5	51.0	1,529,6	50.1
II. TOTAL AVAILABLE FUNDS	2,717,4	100.0	3,378,5	100.0	3,707,2	100.0
in this:						
(1) participation by the Federation	868,7	32.0	1,041,4	30.8	1,073,9	29.0
(2) participation by the People's Republics and People's Ctees.	508,5	18.7	612,0	18.1	722,7	19.5
(3) participation by other organs and selfgoverning establishments	304,5	11.2	401,7	11.9	446,0	12.2
(4) participation by economic organisations	1,035,7	38.1	1,323,4	39.2	1,464,6	39.5

The fact that 76% of the social product and 71% of the available funds belong to the economic organisations, People's Republics, People's Committees and other selfgoverning units, indicates that their selfgoverning activity and initiative will be realized on a broad scale. By the increased participation by the People's Republics and People's Committees in the distribution of funds, and especially by the transferance of the largest portion of bank deposits to the Communal Banks and Republic Banks, there is being broadened the material basis of operation of the selfgoverning organs and there is being considerably strengthened their role in the current financing of economy.

The share of the Federation in the basic distribution of social prpduct, despite the narrowing down of its tasks and functions, is remaining in the main unchanged on account of the still great obligations of the Federation with respect to coverage of differences in foreign trade on the basis of the increased amount and changed structure of exports, on account of bigger foreign payments obligations, and on account of the necessity of securing the necessary funds for its economic reserves.

Chapter IV.

INVESTMENTS.

1. The total capital investments in the year 1962 (economic and non-economic investments in fixed assets and working capital funds of the socialist sector) are set at 1,433 billion dinars, which represents an increase of about 8.8% over the 1961 figure. The level of investments is a moderate one bearing in mind the real funds which will be available for investments.

Of the total funds projected for investments, about 1,163 billion dinars will be invested in fixed assets funds and about 270 billion dinars in working capital funds. The investments in working capital funds are set at a level higher than the investments made in the year 1961, and they are coordinated with the tempo of growth of production and the size of basic funds. This means that the present total active working capital of economy will be increased by about 14% during the course of the year 1962.

2. The social gross investments in the basic funds of economy should amount to about 847 billion dinars, and their rate of increase should be 10%. The gross investments in non-economic activities are set at 316 billion dinars, where the growth of investments for social satndards ought to be faster than the growth of the economic and other non-economic investments. On the basis of that, this Plan reckons with the following structure and movement of social investments in basic funds(in billions of dinars at current prices):

	1960	Structure	1961	Structure	1962	Structure	Indices of growth 1961/1960	1962/1961
Total investments in basic funds...	879,5	100.0	1057,0	100.0	1163,0	100.0	120.2	110.0
Economic investments......	641,7	73.0	770.0	72.8	847,0	72.6	120.0	110.0
Non-economic investments......	237,8	27.0	287,0	27.2	316,0	27.4	120.7	110.1
of which:								
Social standard	203,9	23.2	250,0	23.7	281,0	24.4	122.6	112.4

3. Expenditure of money for investment in basic funds, by principal treasurers of these funds, should approximately be as follows in the year 1962(in billions of dinars at current prices):

	1960	Structure	1961	Structure	1962	Structure	Indices of growth 1961/1960	1962/1961
Total money for investments in basic funds....	879,5	100.0	1057,0	100.0	1163,0	100.0	120.2	110.0
of which:								
(1) Federal money....	325,5	37.0	379,0	35.8	409,0	35,6	116.4	107.9
(2) money of People's Republics, People's Ctees. and selfgoverning establishments..	273,8	31.1	336,0	31.8	370,0	32.1	122.7	110.1
(3) money of economic organisations	280,2	31,9	342,0	32.4	384,0	33.3	122.1	112.3
(4) Total decentralized funds....	554,0	63.0	678,0	64.2	754,0	65.4	122.4	111.2

The available funds and the anticipated growth of production will enable economic organisations in the year 1962 to make still bigger investments in working capital. In view of the amount and envisaged tempo of investing from the decentralized investment funds, it shall be necessary for the respective treasurers of these funds to streamline them in the directions and for the economic fields and basic purposes which are fixed by this Plan.

4. The investments in the basic funds of economy should serve for a fast increase of production capacities in all economic fields, especially for completion of those plants the construction of which had started in the preceding period, with the understanding that the time-limits for their putting into operation be shortened as much as possible. At the same time it shall be necessary to direct investments from the funds of economic organisations and from social investment funds, towards such a modernization of the process of production as will make possible, by changing assortment and lowering production costs and prices, a more effective adaption of production to the requirements of the domestic and foreign markets.

The new investments in industry should be mostly directed towards development of power plants and development and expansion of raw materials sources in the country, primarily in ferrous and non-ferrous metallurgy and in chemical industry which are the most important branches for production of raw materials and of scarce reproduction materials.

In agriculture, the new investments will be used primarily for purchase of mechanization, for expansion and equipping of agricultural estates and cooperative organisations with basic means for production of specific articles, and after that, within the limits of possibilities, for other purposes.

The agricultural organisations will at the same time strive to activate more fully and use the existing fixed assets.

In the field of forestry, it will be necessary to direct the available funds primarily towards creation of conditions for realization of a bigger amount of felling of trees in the year 1962.

With the investments in building trade, transport, commerce and hotel industry, the started process of reconstruction and modernization of these branches will be continued, as will also the necessary increasing of their capacities.

The general structure of investments should, however, be such that more harmonious relations between investments directly intended for production and investments which serve for a more progressive organisation of trade and for modern equipment of trade, are achieved by it, The money lying in the investment funds of the People's Committees and People's Republics should contribute in the fullest way to this harmonious development of the material basis of production and of trade.

In harmony with the stated directions of invetment, the following structure, by economic fields, is envisaged(in billions of dinars):

	1960	Stru-cture	1961	Stru-cture	1962	Stru-cture	Indices of growth 1961/1960	Indices of growth 1962/1961
Industry and mining	298,5	46.5	391,0	50.8	443,0	51.7	131,2	113,3
Agriculture........	106,6	16.6	107,0	13.9	123,0	14.7	100,4	115.0
Forestry...........	11,4	1,8	14,0	1.8	15,0	1.8	122.8	107.1
Building trade.....	19,1	3.0	24,0	3.1	25,0	3.0	125.7	104.2
Transport..........	150,9	23.5	171,0	22.2	175,0	20.9	113.3	102.3
Commerce and hotel industry..........	43,6	6.8	48,0	6.2	50,0	6.0	110.1	104.2
Handicrafts........	11,6	1.8	15,0	2.0	16,0	1.9	129.3	106.7
Total:	641,7	100.0	770.0	100.0	847,0	100,0	120.0	110.0

5. With respect to new investments, the role of the General Investment Fund during the year 1962 and from then onward will be considerably reduced and limited to the financing of only those investments which have a basic importance for realization of necessary structural coordinations in production and for increasing imports, and after that for financing those investments which encourage quicker development of the underdeveloped regions of the country. In accordance with our economic system and the system of decentralization of funds, all other investments will be made from the decentralized funds since conditions have been created for most of the economic fields and branches to develop in the future on the basis of autonomous funds and funds of political-territorial units without participation by the General Investment Fund.

In accordance with thid, the money in the General Investment Fund for investments in basic funds of economy in the year 1962, will amount to about 384 billion dinars. Of this money, 230 billion dinars will go to investments in industry, 75 billion dinars to investments in agriculture and 66 billion dinars to investments in transport. More detailed provisions on use of money from the General Investment Fund are contained in Part Four of this Plan.

6. In the General Investment Fund money is provided, within the existing installments, for continuation of the guaranteed investments on the territories of the Macedonian People's Republic, Montenegrin People's Republic and the Autonomous Region of Kosovo and Metchija. By using money from the General Investment Fund, work on completion of projects in hand will be continued also in other undedeveloped regions of the country, that is, the projects the financing of which is done in accordance with the provisions of the 1960 Social Plan. The guaranteed investments and the stated investments in other underdeveloped regions of the country will be financed under the same conditions as in the years 1960 and 1961.

In accordance with the provisions of the Five-Year Plan, special funds amounting to 20 billion dinars are earmarked for the year 1962 for development of the underdeveloped regions of the country. This money will be used primarily for development of new or reconstruction and expansion of the existing industrial plants in the underdeveloped regions of the country. Distribution of this money among various underdeveloped regions of the country will be effected according to the key used for distribution of the total money lying in this fund among them. More detailed directions of investment will be fixed by the Federal Executive Council on the proposal of the Executive Councils of the People's Republics.

Chapter V.

PERSONAL CONSUMPTION AND LIVING STANDARD.

1. Personal Consumption.

1. It is ancitipated that the amount of personal consumption of the total population in the year 1962 will be higher by 7.9% and that per capita consumption will be higher by 6.7%.

2. The tempo of increase of personal income in the year 1962 is set so as to make the development of personal consumption directly depend on the grooth of production and productivity of labour, bearing in mind their two-year pace of movement. In connection with this, it will be necessary to ensure by special measures a more proper ratio with respect to the level of personal income between individual economic branches and groups of enterprises.

The increase in personal income in the socialist sector, however, should amount to 15%. This makes it possible to cover the personal incomes of the newly-employed workers and office employees whose number will increase approximately by about 6%, and at the same time to make a real increase of about 4% on the average in personal income in comparison with the year 1961. At the same time, the 15% increase in personal income contains the increase in the cost of living of about 4% to 5%, by which approximately the cost of living was higher at the end of 1961 than the average level of these expenses for the whole of 1961.

3. Social security incomes will be increased in the year 1962 by about 52 billion dinars or by 14.8%. In health insurance it will be made possible to improve still further better conditions for realization of health demands, while in pension insurance coordination of pensions will be ensured. By the new system of financing of our social security service, conditions should be created for a more stable functioning and for introduction of a more business-like spirit in our social security system, for which purpose obligatory reserves should be created.

4. The real increase in personal consumption presupposes price stabilization and corresponding efforts on the part of all factors in that direction , so that the movement of real and nominal income could be kept within the limits set by this Plan.

The stated growth of consumption will be make possible by an increase in production in the country and by a corresponding import of industrial consumer goods and basic foodstuffs, as well as by promotion of trade, more considerable balancing of demand and supply, and also by a bigger amount of concern on the part of the People's Committees for development of trade and organisation of supply service with respect to agricultural products.

5. Within the limits of its authority, the Federal Executive Council will, when necessary, undertake measures for the carrying out of the projected policy in the field of increase of real consumption of the population, especially the real earnings and pay, always keeping an eye on the movement of personal income and cost of living.

2. Standard Of Living.

1. The investments in the basic funds of living standards, which should increase in the year 1962 from 250 billion dinars to 281 billion dinars, i.e. by 12.4%, and in that way reach about 24% of the total gross public investments, will ensure further broadening of the material basis of all living standards services.

2. Public funds for house-building will be increased by about 14%, and will amount to 162 billion dinars. On the basis of that, it is expected that 85,000 apartments will be built, of which 54,000 apartments in the socialist sector and built on part-ownership basis with help by loans from public sources.

For the purpose of the carrying out of the tasks under the Five-Year Plan, it shall be necessary for the Communes and other interested factors, especially the house-building funds, to undertake still more decisive measures in the direction of still greater attraction of additional funds for house-building from other public sources, as well as from personal savings of citizens, for the purpose of their more effective pooling and directing towards cheap house-building, that is, building of apartments which, by their size, equipment and price, correspond to the needs and possibilities of workingmen. To this end, a better cooperation is also needed between the house-building funds and enterprises for production of building materials and for the carrying out of actual building. It is in this way that it is necessary to assure the most suitable development of house-building(including also the building of apartments for sale) and also to increase the amount of building, while at the same time halting the tendency of building costs going up.

3. For the purpose of ensuring the necessary investments for the development of communal economy, it shall be necessary for the People's Committees to continue providing favourable conditions for the formation of investment capital in communal economy, and also to create, on Borough and Republic level, broader possibilities for utilization of public investment funds bank funds for the financing of these investments, especially when it is a question of big communal projects. In conformity with this, it is estimated that the investments in communal economy will amount to about 43 billion dinars, whihh would represent a 14% increase over the 1961 figure.

4. The total investments in education should be increased in the year 1962 for the purpose of a further expansion of school space and building of educational establishments. Economic organisations and independent establishments will also contribute, by their funds to a quick building of schools and other school institutions in the work of which they are directly interested. On the basis of that, it is estimated that investments in education will be increased from about 30 billion dinars in 1961 to 39 billion dinars in 1962.

For expansion of the network of medical and social establishments and for development of cultural activities, it is estimated that the total investments will amount to about 37 billion dinars.

Chapter VI.

BUDGETS.

1. The needs of development of living standards services and other public services, the regular increase in pay and in invalids's emoluments, as well as the increase in the outlays for special purposes in economy, demand a further increase in budgetary expenditures.

The increase in the total budgetary expenditures will amount to about 10.3% in comparison with the estimated expenditures in the year 1961. The expenditures on purchase of material, investments, and wages and salaries will be increased by 8.9%, while transfer expenditures, which contain recompensations, grants and subsidies to economy, repayment of foreign loans and grants to school funds and to independent establishments, will be increased by 11.6%.

2. The Federal Budget expenditures will increase from 580,603 billion dinars in 1961 to 634,695 billion dinars in 1962, or by 9.3%, which the following table shows:

	1960	1961	1962	1961/1960	1962/1961	1962/1960
I. Expenditures of Federal organs, establishments and organisations......	45,730	53,766	58,274	117.6	108.4	127.4
II. National defense expenditures..........	207,699	247,703	269,656	119.3	108.9	129.8
III. Funds for general-public requirements...	51,053	77,113	85,194	151.0	110.5	166.9
IV. Funds for requirements in economy............	129,864	202,021	221,571	155.6	109.7	170.6

Most of the increase in the Federal Budget expenditures is for repayment of foreign loans and for grants to the People's Republic of Bosnia & Herzegovina, the People's Republic of Macedonia and the People's Republic of Montenegro, as well as the Autonomous Region of Kosovo and Metchija.

3. The total expenditures on national defense(expenditures on personnel and materiel, expenditures on the building of communication links, investments in war industry which are financed from the General Investment Fund) will amount to about 273 billion dinars compared with 250 billion dinars spent in the year 1961. The participation by the total expenditures on national defense in the national income in the year 1962 will amount to 7.5% compared with 8.1% in the year 1961.

4. Grants amounting to a total of 38,680 million dinars are provided in the Federal Budget, for coverage of budgetary expenditures, to the People's Republics and to the Autonomous Region of Kosovo & Metchija, as follows:

PR Bosnia & Herzegovina...........	15,607 million dinars
PR Macedonia......................	9,960 " "
PR Montenegro.....................	6,110 " "
Autonomous Region of Kosovo & Metchija...............	7,003 " "

The amounts of the grants referred to in the preceding paragraph of this Item embrace the grants fixed in the Law on Budgets and Financing of Independent Establishments, as well as their increases made on account of the increase in pay of public servants and the increase in prices for material and services in the years 1960 and 1961.

5. It is expencted that the total available funds for budgetary expenditures of the People's Republics and People's Committees will be increased by about 10% compared with the funds available in the year 1961.

Chapter VII.

ECONOMIC RELATIONS WITH FOREIGN COUNTRIES.

1. A maximum increase in export of goods will be of greatest importance for our balance of payments in the year 1962. This increase should be achieved exclusively by export of industrial goods, since agricultural exports will be smaller than in the year 1961 because of the poor agricultural production in that year. In connection with that, the growth in internal consumption should progress in such a way that the projected increase in exports and decrease in the deficit in the current exchange of goods and services are ensured.

The following increase in exports compared with the preceding year (in billions of dinars at the official rate of exchange) is anticipated:

				Indices of growth	
	1960	1961	1962	1961/1960	1962/1961
Total export of goods.........	169,8	170,0 1)	201,0	100.0	118.2
of which:					
Export of industrial products........	126,9	129,3	163,5	101.9	126.5
Export of agricultural products........	39,5	36,4	33,2	92.2	91.2
Export of forestry products........	3,4	4,3	4,3	126,5	100.0

In order that a jump in export of industrial goods could be achieved, it shall be necessary for industrial production to be adapted in time to the demands of increased exports, not only with respect to volume, but also with respect to the structure and quality of export articles. This is especially necessary in view of the fact that in the year 1962 we must reckon with certain changes in the directions of movement of our export trade, and also because these changes will demand higher-quality articles for export.

2. An increase in export of industrial goods is expected primarily in the case of metal industry, shipbuilding, non-ferrous metallurgy, lumber industry, chemical industry and textile industry.

In the year 1962, it shall be necessary, in the case of new investments from all sources, to pay attention more than in previous years to increase in production of articles intended for export and to greater profitability of this production. For the purpose of encouragement of this production, money is earmarked in the General Investment Fund as well for business banks amounting to about 10 billion dinars.

Export of industrial goods will be facilitated by proper measures regulating internal consumption. For this purpose, the balance of payments provides for the necessary funds for the financing of export of industrial goods and export of industrial equipment.

3. Parallel with increase in export trade, it shall be necessary to reach a higher favorable balance in the non-commodity items of the balance of payments, so that our own foreign exchange incomes could be increase in this way too. The non-commodity incomes should increase from 54 billion dinars to nearly 62 billion dinars, and non-commodity expenditures from 27 billion dinars to about 33 billion dinars, calculated at the official rate of exchange. The increase in assets in the non-commodity transactions will come in the main from the increase in foreign exchange earnings of sea, rail and air transport services, as well as from foreign exchange earnings from foreign tourism.

4. The balance of payments reckons in the year 1962 with a slowed-down tempo of growth of total imports and, consequently, with a reduction in the deficit in the balance of payments. Import of raw materials and of materials for reproduction should increase by 9.2% only. In order that imports could be kept within those limits, it shall be necessary to make the proper selection of imports, and also to practice a very rational use of the imported raw materials and, on the whole, to have a greater orientation of industrial production towards utilization of the raw materials sources in the country. Because of import of food, import of other categories of goods will be reduced at the same time.

5. During the course of the year 1961, the regional structure of our foreign trade was considerably worsened. In connection with this, it shall be necessary to make special efforts in the direction of improvement in the trade balance with the convertible currencies areas, to use in time the previously created assets in our clearing arrangements with various countries by increasing imports from those countries, and to effect import of primary raw materials directly from the countries which produce these materials.

Improvement in the regional structure of foreign trade, and the planned growth of exports, are the basic demands which should be mer as fully as possible during the year 1962. For the sake of achievement of these aims, the necessary adaptation of machinery in the foreign trade and foreign exchange regimes will be effected.

Chapter VIII.

MARKET AND PRICES.

1. Creation of more stable relations in the market, is directly connected with the carrying out of the economic development tasks under this Plan. For market stabilization, it is of particular importance that the planned volume and structure of production and exports be achieved, that the planned level of all forms of consumption be maintained, and that personal incomes in economy be harmonized as much as possible with the growth of productivity of labour.

2. Coordination of relations in the market should be effected primarily by measures of an economic character, by coordination of production and various forms of consumption. For this purpose, the responsible authorities will constantly watch the situation in the market and, when necessary, check by means of adequate measure any possible occurrences which might upset the situation and impede the fulfilment of the principal economic tasks during the year 1962.

In accordance with the policy of creation of as stable as possible relations in the market, the Communes and other selfgoverning organs should refrain from measures which might, directly or indirectly , cause a jump in prices and thus have a negative effect on stability of conditions of economic activities.

3. For the purpose of market organisation, it shall be necessary to act and to eliminate any shortcomings in the organisation of trade which cause market instability and unjustified increase in prices. Therefore, the People's Committees of Boroughs and Counties shall devote full attention to improvement of organisation of trade in goods and to technical equipping and modernization of the economic organisations which deal in trade and supply.

Part Three.

DEVELOPMENT OF ECONOMIC FIELDS.

Chapter IX.

INDUSTRY.

1. The importance of industry for the general tempo of economic development, especially for the foreign trade balance, imposes the need of accelerating anew of the tempo of its growth and realization of the necessary change in the structure of its production. Industrial production should achieve in the year 1962 a rate of growth of 13%, and it is of a decisive importance that this growth be achieved with a relatively smaller increase in import of reproduction materials and a considerable acceleration of exports of industrial products.

2. Such a takk ddmands, in the first place, the making of efforts in the direction of increasing of production in those branches and production groups which are based on domestic raw materials sources and which, with relatively small imports, participate to a considerable extent in exports or replace essential imports. Therefore, the greatest possible volume of production should be achieved in oil industry, in ferrous and non-ferrous metallurgy, in lumber industry and generally in wood processing industry, in basic chemical industry, and in industry for processing of agricultural products. It is necessary to achieve an increase in production in these branches by means of activation of the insufficiently exploited production funds and an intensified production of articles which require several stages of machining, as well as by an early completion of the plants which are under construction and a more rational and intensive use of raw materials found in the country.

3. In metal-processing industry, shipbuilding and electric industry, a high degree of production should be achieved while saving imported raw materials and reproduction materials, limiting the consumption of material for production in the case where production consists mainly of putting together the imported parts and material, without any prospect of the actual production being made in the country very soon. Parallel with this, it shall be necessary to expand and encourage specialization of production and to carry out a closer linking of enterprises in a system of production on the basis of cooperation. In addition to this, during the coming years special attention must be devoted to introduction of more variety in production and to application of more adequate technological processes which lead to a more rational organisation of production. With such an orientation, these branches can create conditions to increased sale of their products in foreign and domestic markets; they can employ in a more rational way their production capacities, and also achieve a reduction in production costs. A more efficient and modern production in these branches has a great importance both from the viewpoint of formation of larger and better quality surpluses for export, and from the viewpoint of the growing needs of the domestic economy with respect to capital equipment.

4. In view of the demands of internal market and the increased tasks with respect to exports, it shall be necessary to achieve a much bigger production also in those branches which are based mostly on utilization of imported raw materials and reproduction materials, such as textile industry and footwear industry where new plants have been opened which make possible a bigger jump in production.

5. Proceeding from these basic orientations in production, the following movement of production is anticipated by various branches of industry, expressed in indices of the physical volume of production:

	1961/1960	1962/1961	1962/1960
Power branches..........	111	110	122
Basic metals............	105	110	115
Production of equipment and of durable consumer goods	109	113	122
Chemical industry.......	111	115	128
Agricultural products processing industry...............	102	110	113
Wood processing industry	116	116	135
Building materials industry	114	114	130
Clothing and footwear industry	107	116	124
Other industry..........	121	113	137
Total industry:	109	113	123

The increase in industrial production should be achieved by importation of raw materials and reproduction materials which will be 9.5% higher than in the year 1961, which represents a big saving and a more selective import policy. Parallel with this, export of industrial products should increase by about 26%, where export of industrial equipment should increase by 40%; export of chemical industry products by 30%; export of products of wood processing industry by 35%; and export of products of textile industry and leather and rubber industries by 38%.

6. With such a growth of industrial production, it is estimated that the following production will be achieved in individual branches and more important groups of industrial products:

	Unit of measure	Produced 1960	Produced 1961	Plan for 1962
ELECTRO-ECONOMY:				
Indices of growth		110	112	114
Electric power	000 GWH	8,9	10,0	11,4
COAL PRODUCTION AND PROCESSING:				
Indices of growth		106	105	107
Coal- total	mil.tons	22,7	24,4	26,3
Coke	" "	1,1	1,1	1,1

	Unit of measure	Produced 1960	Produced 1961	Plan for 1962
OIL PRODUCTION AND PROCESSING:				
Indices of growth	mil.tons	133	129	114
Crude oil	" "	0,9	1,4	1,6
Petroleum-products	" "	1,3	1,4	1,5
FERROUS METALLURGY:				
Indices of growth		112	103	106
Crude steel	" "	1,4	1,5	1,7
Steel-products	" "	1,1	1,1	1,2
NON-FERROUS METALLURGY:				
Indices of growth		112	108	113
Blister copper	000 tons	35,7	33,0	55,0
Aluminum in blocks	" "	25,1	26,0	28,6
Refined lead	" "	89,1	88,0	92,0
Non-ferrous metallurgy rolled products	" "	70,9	71,0	86,6
NON-METALS:				
Indices of growth		115	113	110
Cement	mil.tons	2,4	2,5	2,7
Refractory material	000 tons	253,6	263,0	335,0
METAL-PROCESSING INDUSTRY:				
Indices of growth		122	107	113
Machinery and equipment	000 tons	92,6	89,0	103,0
Trucks and omnibuses	000 pieces	5,5	6,3	7,0
Automobiles	" "	10,5	14,0	20,0
Motor cycles	" "	41,4	40,0	50,0
Tractors	" "	7,3	5,0	7,0
SHIPBUILDING:				
Indices of growth		106	107	107
Sea vessels	000 GRT[1]	200,9	220,0	235,0
River vessels	000 tons carr.cap.	46,0	46,0	50,0
ELECTRIC INDUSTRY:				
Indices of growth		124	114	115
Electric motors, generators and turbines	000 tons	8,2	8,2	9,7
Cables and conductors	" "	56,5	62,0	68,0
Radio receivers	000 pieces	239,0	250,0	260,0
TV sets	" "	13,8	50,0	100,0

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[1] Level of work.

	Unit of measure.	Produced 1960	Produced 1961	Plan for 1962
CHEMICAL INDUSTRY:				
Indices of growth		113	111	115
Sulphuric acid	000 tons	130	240	415
Superphosphate	" "	248	350	850
Artificial fertilizers	" "	40	45	250
Viscose fibers	" "	21	20	20
BUILDING MATERIALS:				
Indices of growth		115	115	119
Building materials	billion pieces normal format	1,2	1,3	1,5
LUMBER INDUSTRY:				
Indices of growth		115	114	117
Cut timber of coniferous trees..	mil.cubic met.	1,4	1,5	1,8
cut timber of deciduous trees...	" " "	0,9	0,9	1,0
Plywood and panels	000 cub.met.	102	127	155
Lesonite and chip boards..........	000 tons	37	51	130
Furniture,total	000 sets	336	386	443
PAPER INDUSTRY:				
Idices of growth		120	128	114
Cellulose and pulp	000 tons	211	244	270
Photo-paper	" "	29	31	34
Other paper	" "	114	161	185
TEXTILE INDUSTRY:				
Indices of growth		114	106	118
Cotton yarn	000 tons	52,7	58,9	75,6
Cotton and artificial fabrics......	mil.sq.met.	269,2	281,1	336,0
Woolen fabrics..	" " "	32,7	30,3	33,0
Silk fabrics....	" " "	20,0	23,1	26,7
LEATHER INDUSTRY:				
Indices of growth		121	108	108
Footwear,leather,including handicrafts....	mil.pairs	19,5	22,0	23,5

	Unit of measure	Produced 1960	Produced 1961	Plan for 1962
RUBBER INDUSTRY:				
Indices of growth		126	114	114
Tyres for vehicles	000 tons	9,0	13,1	16,5
Rubber footwear	mil.pairs	14,9	14,8	16,0
FOOD INDUSTRY:				
Indices of growth		118	107	113
Sugar	000 tons	265,7	265,0	350,0
Vegetable, edible and technical fats	" "	72,1	80,5	88,0
Fruit and vegetable products.....	" "	57,0	62,0	69,0
Meat tins....	" "	32,7	34,0	37,0
Animal fodder	" "	100,4	120,0	150,0
PRINTING INDUSTRY:				
Indices of growth		116	121	113
TOBACCO INDUSTRY:				
Indices of growth		99	77	86
Fermented tobacco	000 tons	34,8	20,5	13,5
Cigarettes	billion pieces	20,5	23,0	24,0

7. During the year 1962, about 443 billion dinars will be invested in the development of industrial production and the boosting of the basic funds of industry. Those investments will be used primarily for completion of projects on which work is already in hand, accelerating investments in the basic production capacities and slowing down those investments which are not most directly connected with the putting of new installations in production.

The new investments which will be made from the General Investment Fund will serve mostly for development of electric power projects and for development of plants in ferrous metallurgy and in chemical industry for the purpose of reduction of shortage in production in these branches and elimination of structural difficulties which crop up because of that in the field of balance of payments.

From the viewpoint of their effective utilization and fulfilling of production aims in the year 1962, the funds for investment in economic organisations should be used for modernization of technological processes, elimination of the so-called "bottle-necks" in production, and rationalizations which will contribute to saving in raw materials and reproduction materials.

Chapter X.

AGRICULTURE.

1. Agricultural production in the year 1962 should be increased by 23% compared with the low production in the year 1961. In the socialist sector, meanwhile, it is expected that the growth of production will amount to about 30% compared with the level attained in the preceding year. In that way, the volume of agricultural production should be 5% higher than the production achieved in the very good harvest year of 1959. The highest growth of production should, however, be achieved in crop farming where, on account of the drought, production had been rather low in the year 1961.

The following increase in production of the more important agricultural articles (in thousands of tons) is expected in the year 1962:

	Total agriculture			of which farms in the socialist sector		
	1960	1961	1962	1960	1961	1962.
Wheat abd rye	3,800	3,360	4,000	677	760	1,000
Maize	6,160	4,200	7,000	883	725	1,250
Sugar beet	2,290	1,930	3,000	993	940	1,500
Sunflower	98	116	140	23,4	36	45
Meat	635	670	650	75	100	120
Milk	2,434	2,415	2,600	281	370	400
Eggs(in millions)	1,533	1,550	1,600	21,5	35	50

2. The participation by the farms in the socialist sector in the total agricultural production should increased from 13% in the year 1960 to about 16% in the year 1962.

In the buying up of market surpluses, which is done through the commercial organisations, the participation by the surpluses from the socialist farms will be still higher and will amount to 45% compared with 34% in the year 1960.

3. For the purpose of achieving the planned growth of industrial production, it shall be necessary for the agricultural and cooperative organisations to increase their areas under crops and the areas cultivated in cooperation with private farmers, and also to increase the extent of services in connection with production, the services which they will extent with their means of production to private producers for the purpose of obtaining bigger yields on the plots of land belonging to private producers. This Plan reckons with the economic policy measures and a stimulating way of distribution of incomes will inspire the agricultural organisations to mobilize, parallel with expansion of areas under crops, the considerable reserves which consist of insufficient exploitation of mechanization, insufficient exploitation of land in the existing soil-reclamation systems, and poor utilizttion of structures for accommodation of livestock, and so on. All this should provide conditions for increasing the areas of land on which high-quality seeds, artificial fertilizers and plant protection agents will be used and also modern technological processes applied.

4. The more favourable material conditions than had existed in the two preceding years, will constitute the basis for increase in crop farming production in the year 1962. Our agricultural organisations are starting the year 1962 with 35,000 tractors and 6,500 combine harvesters. It is estimated that during the year 1962 they will have at their disposal about 6,000 new tractors and about 1,400 combine harvesters. At the same time, consumption of artificial fertilizers should be increased to about 1,600,000 tons compared with the consumption of 1,100,000 tons in the year 1961. Agriculture will also be able to use larger quantities of high-quality and selected seeds, plant protection agents and other means for a more intensive production.

5. For the purpose of preservation of our livestock fund which is threatened by the shortage of animal fodder, the agricultural organisations will make the necessary efforts to collect all the available quantities of this fodder and to use in a more economical way the animal fodder of industrial origin produced in the country. The animal fodder sources in the country will be supplemented by necessary import of animal fodder, and this will represent one of the most important items of the total imports of means for agriculture. This should make it possible for the socialist sector of agriculture, together with farming on the basis of cooperation with private farmers, despite the smaller total meat production, to increase meat production in the year 1962. During the year 1962, other measures will also be undertaken for a faster and more stable development of livestock breeding.

6. The policy of prices, recompensations, special premiums, as well as other economic measures which will stimulate agricultural production, will act in the direction of a more lasting solution of the position of agriculture and of agricultural organisations, as well as in the direction of creation of conditions for a greater profitability of their opefations. This should, among other things, facilitate the process of a more intensive application of mechanization and of other agro-technical measures which ensure bigger yields and faster growth of agricultural production.

7. Development of agricultural production in the year 1962 and from then onward will be supported also by bigger investments which are to be about 123 billion dinars, which is by 15% more than the investments made in the year 1961. Of this money, about 75 billion dinars will come from the General Investment Fund compared with 62 billion dinars given in 1961. Increased investment from the General Investment Fund is necessary because of the fact that the agricultural organisations, due to lower yields, are entering the year 1962 with insufficient funds of their own, so that, without such an intervention by the General Investment Fund, the necessary tempo of investment in agriculture would be reduced.

Money from the General Investment Fund will be used for purchase of mechanization by agricultural and cooperative organisations, which should make possible a more efficient production and wider cooperation of these organisations with private producers; for bigger investments in farms which produce specific products; and for expansion of areas of the farms in the socialist sector and for their technical equipping, while all the time paying attention to profitability of investing of the money. In order to encourage agricultural organisations towards these investments, the amount of down-payment when they draw loans from the General Investment Fund will be reduced, both in the case of loans for expansion and organisation of new areas of land, and in the case of investments which ensure higher production of high-quality products which are greatly in demand.

Investments in agricultural production from other sources (investment funds of People's Republics and People's Committees, funds of agricultural organisations, other funds and budgets) should amount in the year 1962 to about 48 billion dinars, which represents a 6.6% increase over the estimated investments in 1961.

Chapter XI.

OTHER ECONOMIC FIELDS.

1. The increased growth of the forestry fund, which has come about as a result of intensive development and protection of forests, makes it possible to carry out, in accordance with increased requirements, in the field of forestry a bigger amount of felling and production than in previous years, and in that way to increase surpluses of timber of coniferious trees for export. The total amount of felling of trees should increase from 19,6 million cubic meters in 1961 to 20,9 million cubic meters in 1962, or by 6.4%. It is planned to increase the amount of felling of deciduous trees by 550,000 cubic meters, or by 3.8%, and coniferous trees by 700,000 cubic meters or by 14%.

It is estimated that in the socialist sector the total felling of trees and production will increase from 9,4 million cubic meters to 10,7 million cubic meters - deciduous trees from 5,9 million cubic meters to 6,7 million cubic meters, and coniferous trees from 3,4 million cubic meters to 4 million cubic meters. Parallel with the increased amount of felling of trees, forest development work will be expanded for the purpose of maintenance and strengthening of the forestry fund. In view of the increased tasks with respect to felling of trees, the amount of capital investments should increase to 15 billion dinars, most of which will be used by the forestry organisations for the building of communications and of everything that will facilitate the carrying out of the projected amount of forestry production.

In connection with the increased amount of felling and exporting of coniferous trees, the economic position of forestry and lumber industry will be examined, and so will also the question of stimulating of the forestry organisations and of other producers towards a larger amount of felling of coniferous trees and production of timber, and the method of ensuring of the necessary funds for expansion of work on development of forest for the purpose of strengthening the coniferous trees fund.

2. In the field of building trade, where production should increase by 11% compared with 1961, it is expected that there will be a much bigger application than up till now of more rational and more economic materials, elements and constructions especially in the field of architectural structures, as well as use of produfts which can replace in an economical way the soft, cut timber used now. Economic organisations engaged in building trade will make use of the bigger production of building materials and of the new conditions of economic activity for stabilization of prices of building services and of building work on the whole. For the carrying out of the necessary amount of building work in the year 1962, capital investments amounting to 25 billion dinars are envisaged in the building trade mostly for purchase of building equipment and mechanization.

3. The amount of transport services, in view of the availabl capacities of our transport service and the projected increase in production and trade, should increase by about 11% compared with the attained level of services in the year 1961. In this total increase, transport of goods should increase by 12%, passenger transport by about 8%, and postal-telegraph-telephone services by 13%.

In the conditions of carrying out of reorganisation of transport services and application of a new method of operation, the transport organisations should direct their efforts especially towards better utilization of the existing technique and towards a more rational exploitation of modern equipment procured in the preceding years.

The investments for the development of transport services which will amount to about 175 billion dinars in the year 1962, or to 2.3% more than in the year 1961, will serve for further development of the transport network, expansion of rolling stock and transport fleet, and especially for reconstruction and modernization of the existing transport facilities, so that there could be achieved thereby in the whole of our transport service a fuller and more rational exploitation of all the avaiable fixed assets. In this reconstruction work, a special place will be occupied by expansion of the big railway hubs and modernization of signalling and safety installations in railway transport for the purpose of improvement in speed and in safety of transport and a better exploitation of diesel locomotives. In addition to this, it is planned to purchase equipment for a fuller mechanization of loading, unloading and reloading of goods in all branches of transport, as well as expansion and modernization of telegraph and telephone installations.

4. In the field of commerfial activities, it shall be necessary to continue at a high speed the spreading of retail shops and modernization of retail trade, eliminating the present state of a lot of small shops, in order that effectiveness and profitability could be improved and in order that service in shops could be raised to a higher level. For the reason, the commercial organisations will intensify their investments in fixed assets and working capital. These investments ought to be accompaniew with corresponding investments by cooperative organisations which occupy themselves with commercial activities, as well as with adequate investments from the investment funds of the political-territorial units.

By bigger investments by the hotel industry organisations by public investment funds, it shall be necessary to achieve a more successful development of hotel industry and tourism as well as the spreading and modernization of their installations. In connection with this, it shall be necessary to devote special attention to the development of foreign tourism for the purpose of increasing tourist trade with foreign countries and the inflow of foreign exchange from tourism. With this object in view, the hotel industry insrallations on which work is already in hand in tourist centers will be completed in the year 1962 with the help of the General Investment Fund.

5. By making bigger investments in servicing units and workshops for the rendering of handicraft services, it shall be necessary to speed up modernization of those services, especially in large cities and industrial centers. Parallel with bigger investmentd by People's Committees, and handicraft organisations, it shall be necessary for the industrial enterprises also to open servicing units for maintenance and repair of the durable goods which they produce, and for the commercial organisations to open such servicing units for the goods they import. For the purpose of creation of material conditions for the opening of these servicing units, the responsible authorities in Boroughs shall undertake measures for providing business premises for the servicing handicraft activities.

For the purpose of speeding up development of handicrafts, it shall also be necessary to make changes in the existing regulations on handicraft activities which are holding back this development.

Part Four.

MEASURES FOR EXECUTION OF THE PLAN AND THE FUNDS REGIME.

Chapter XII.

MEASURES FOR EXECUTION OF THE PLAN.

1. In order to make possible further improvements in the economic system and a more consistent realization of its principles, it shall be necessary:

✓ (1) that the responsible authorities, on the basis of the final account of economic organisations for the year 1961 and other data gathered by the statistical service on the movement of economy, make an analysis of the effect of the economic system's machinery and of other measures of our economic policy and of their influence on the development of production and productivity of labour, on the application of more rational criteria in connection with distribution of incomes of economic organisations, as well as of their influenc on improvement and on encouragement of economical and efficient methods in business activities and on establishment of stable relations in the market; that, on the basis of such analyses and investigations, they suggest measures the purpose of which is to be a further development and improvement of the economic system, equalization of position of economic organisations, perfecting of the criteria applied in distribution of incomes between the economic organisations and the community, as well as for a more consistent application of the principle of every man according to his labour;

(2) that, within the framework of the measures and instruments of our economic system, as well as the banking and credit mechanism, a more active role of the People's Republics be made possible,as well as their influence on the policy of economic development and on the solving of economic problems on their territories;

(3) that the economic organisations, People's Committees and other authorities consistently concern themselves with the application of the Law on the Resources of Economic Organisations and of the recommendations contained in the Resolution of the Federal People's Assembly on the procedure of the economic organisations in connection with distribution of clear incomes, paying attention to coordination of relations between growth of production, productivity of labour, personal incomes and funds of economic organisations, laying emphasis on the strengthening and consistent application of the principle of remuneration according to labour; and

(4) that the Federal Executive Council during the year 1962 study the problem of revaluation of fixed assets and correction of the regime of amortization and of other measures, with the aim of creating more even conditions for the operation of economic organisations, and that for this purpose it introduces the necessary regulations or suggests their introduction.

2. In order that the credit policy and credit mechanism could be more effectively used for the accomplishment of the basic tasks under this Plan and for ensurance of the envisaged development of production and trade, it shall be necessary:

(1) that the responsible authorities study and undertake measures for elimination of appearances of excessive contracting of debts without coverage and financing between economic organisations and other organs, as well as between economic organisations themselves; that for this purpose be used the existing reserve funds and other assets and funds of economic organisations, independent establishments and budget-financed organs, as well as special bank credits, that for this purpose the Federal Executive Council introduces the necessary regulationns or suggests their introduction, and on the basis of these regulations issues necessary instructions for the work of the banks and other organs;

(2) that regulations be introduced on the tightening up of financial discipline in connection with the use of public funds and ensuring that expenditures of individual organs move within the limits of the available funds and in that way preventing any occurrence of insolvency in economy in the future;

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(3) that the responsible authorities devote attention to the strengthening of all forms of public control, especially that of the Public Accounting Service;

(4) that all agencies from whose funds investments are made in fixed assets also make adequate investments in working capital;

(5) that all banks when opening credits guide themselves by the provisions of this Plan on our credit policy and follow the guidelines and instructions issued by the Federal Executive Council and other authorities for the purpose of execution of this Plan; and

(6) that, on the basis of apportionment of banking funds and deposits, a more active role be ensured of the Communal Banks, Republic Banks and specialized banks in the mobilization of the available cash and in the granting of credits to economy; that, in view of the important role of the business activity of the Communal Banks, their organisational consolidation and strengthening be ensured by providing capable managerial and other staff for them.

3. For the purpose of creation of more favourable conditions for the development of production according to the proportions set in this Plan, it shall be necessary:

(1) that the responsible authorities study and undertake measures in the direction of normalization of the tempo of production of coal and its delivery to big consumers, and that for this purpose they introduce the necessary regulations and instructions with respect to the regime of prices and conclusion of contracts;

(2) that the responsible authorities introduce a long-term regime of financing of oil prospecting and opening of oil fields for the purpose of ensuring a growth of production in accordance with the directives contained in the Five-Year Plan;

(3) that measures be prescribed - for the purpose of encouraging the machinebuilding and electric industry enterprises towards quicker and more efficient mastering of production based on license contracts and importation of parts - according to which sale of foreign exchange for these purposes will be effected through banks on the basis of contracts stipulating obligations for economic organisations with respect to the mastering of production and reduction of imports;

(4) that conditions and frameworks be studied for a long-term solution of the question of marketing and financing of mass production of equipment;

(5) that the effect of the provisional customs tariffs be studied and that it be established whether the customs rates correspond to the relation between the prices of articles produced in the country and prices of articles imported from other countries; that the necessary corrections be examined and carried out in the instruments which regulate foreign trade in accordance with the fixed programme of changes in the foreign trade and foreign exchange regimes, and for the purpose of ensuring the necessary conditions for sale in foreign markets and in that way making possible a normal development of production by the respective economic branches; and

(6) that the amount of felling of trees and quotas for export of timber be fixed by agreement between the People's Republics, in order to make possible increased production and export of timber of coniferous trees, and also that the question of granting facilities with respect to distribution of total incomes of forestry organisations be considered for the purpose of securing funds for expansion of work on the strengthening of the coniferous trees fund.

4. For the purpose of advancement of production in agriculture and improvement of the position of agricultural organisations, it shall be necessary:

(1) that the economic position of agricultural organisations be strengthened by creation of more favourable relations between prices of agricultural products and prices of those products which agriculture uses during the process of reproduction, as well as by other measures of our economic policy, and that conditions be established which will cause an increase in production, more rational business operation and a more stimulating remuneration in agricultural organisations;

(2) that the responsible authorities, in accordance with the provisions of this Plan and by using the corresponding credits for these purposes, undertake measures in the direction of increasing the areas of land held by socialist agricultural organisations and better equipping of those areas of land;

(3) that the granting of investment credits from public funds be made on the basis of a thorough examination of the applications for investment credits of agricultural organisations; the credits should ensure increase in production and a corresponding economic effect of the investment, as well as a strengthening of production of specific products in accordance with the guidelines contained in this Plan;

(4) that the banks, when granting credits for development of projects intended for production for supplying local markets with agricultural goods, practice to the greatest possible extent participation by the social investment funds, as well as the funds of commercial, industrial and other organisations which will be directly interewted in production, processing, storage and sale of these products;

(5) that in the year 1962 agricultural organisations be permitted to pay the due annuities on invegtment loans as well as installments on credits for coverage of loss.

5. In order to make possible the achievement of the projected amount of experts and maintenance of imports within the projected limits, and aldo to make possible a more proper movement of foreign trade, it shall be necessary:

(1) that the economic organisations use their funds for those investments which will contribute to modernization of production and lowering of costs for the purpose of creation of more favourable conditions for sale in foreign markets; that the banks and organs which hold public investment funds assist such an orientation by favourable credits;

(2) that the Federal Executive Council consider and introduce the necessary measures in the regime which governs export and import of individual categories of goods, so as to ensure the projected volume and structure of foreign trade and the corresponding regional orientation in accordance with agreements with other countries;

(3) that the Federal Executive Council consider and carry out changes in the customs tariff and in export regulations in cases when a justified necessity arises;

(4) that the economic organisations which participate in foreign trade ensure through their chambers a better cooperation and connections for the purpose of promotion of foreign trade;

(5) that the responsible state agencies, chambers and foreign trade organisations undertake measures in the direction of improvement of the organisation of foreign trade enterprises and of their agencies in foreign countries; and

(6) that the measurew of public control of operations of foreign trade entwrprises be strengthened.

6. In order to coordinate investment policy with the situation created by the changes which have been carried out in the economic system, it shall be necessary:

(1) that the responsible federal agencies, on the basis of the analysis of the effect of the economic system on the economics of various branches and on formation of investment funds in the new conditions of economic operations, examine the possibility of financing of investments envisaged in the Five-Year Plan, and that upon that basis they decide on the orientation of the structure of investments from the General Investment Fund for the whole of the five-year period; that on the basis of that the Yugoslav Investment Bank and the Yugoslav Agricultural Bank draw up a dynamic plan of investments by basic projects and purposes which they finance;

(2) that other treasurers of investment funds also examine the policy of investment from the funds which stand at their disposal in accordance with the aims of the Five-Year Plan; and

(3) that the People's Republics, Counties and Boroughs, in the orientation of spending of their investment funds, pay attention to the activities and purposes which the General Investment Fund, in view of the character and size of its capital, will no longer finance or will finance only in exceptional cases.

Chapter XIII.

INVESTMENTS AND FUNDS.

I. Utilization Of Money Lying In Funds.

1. The General Investment Fund, the finds for financing of house-building, and the public funds for education, may spent in 1962, in addition to the money from previous years, also the full amounts of the money acquired in that year, while the public investment funds of the People's Republics, counties and boroughs may do so - only when the money is being used for the giving of loans to economic organisations for their working capital.

It shall also be possible to use the full amounts of subsidies given to funds in 1962, as well as of the annuities which are paid into the public investment funds of political-territorial units as repayment of investment loans granted from federal funds.

The moneys which economic organisations pay in during the year 1962 in the form of contribution to public investment funds on the basis of final accounts for the year 1961, shall be considered as current inflows of those funds, and may be spent in full amount in the year 1962.

2. The money lying in social investment funds and accumulated during the course of the preceding years may be used for the giving of loans for investmentd in fixed assets up to 65% at the most, while at least 35% may be used for the formation of working capital.

The Federal Executive Council may prescribe that the economic organisations, banks, insurance institutes, independent establishments and others also must, when using money from their funds for investments in fixed assets, at the same time use a corresponding amount for working capital or set aside that amount as a reserve which they may use during the course of the year as working capital.

The provisions of Paragraph 1 of this Item do not apply to:

(1) the money lying in the General Investment Fund and in the investment funds of the People's Republics;

(2) the money lying in the social investment funds which is given for participation in investment expenses or for guarantees in connection with loans granted from the General Investment Fund; and

(3) the money which represents the sybsidy from the Federation to the social investment funds.

3. Railway transport enterprises may use up to 65% of the clear income made in 1962, after deduction of the part used for personal incomes of workers, for increase of their business funds for the financing of investments in that year.

4. The money for contribution to the Social Security Fund fixed at the general social security rates, contains also the money representing the contribution for employment of workers - at the uniform rate of 0.4% of the personal incomes of workers.

II. The General Investment Fund.

1. The money for the General Investment Fund shall come from:

(1) the income from the contribution from the income of economic organisations which belongs to the Federation - up to 40.3%;

(2) the income from the contribution from extraordinary incomes - up to 40.3%;

(3) the income from interest on loans and credits granted for working capital to the amount of 9,3 billion dinars;

(4) the income from foreign exchange, calculated at the settlement rate, made in the year 1962 and deriving from loans and other foreign arrangements intended for the financing of investments;

(5) other incomes which under federal regulations belong to the General Investment Fund.

2. The money lying in the General Investment Fund shall be used:

(1) for investments in fixed assets 384,000 million dinars, as follows:

	In millions of dinars
(A) in the fields of industry and mining........................	200,000
- war industry...............	3,000
(B) in the field of agriculture...	75,000
(C) in the field of forestry......	2,000
(D) in the field of building trade	4,000
(E) in the field of transport and communications................	66,000
(F) in the field of commerce, hotel industry and tourism..........	3,500
(G) for other investments.........	23,500
(H) for production for export.....	10,000

(2) for the giving of loans for working capital to the total of 60,000 million dinars;

(3) for the requirements of the Yugoslav Foreign Trade Bank, for the financing of export business, 59,000 million dinars.

3. Unless otherwise determined by the provisions of this Plan, the Yugoslav Investment Bank and the Yugoslav Agricultural Bank shall use the moneys referred to in Item 2 of this Section:

(1) for the meeting of their obligations under previously concluded loan contracts with the General Investment Fund; and

(2) for the granting of new loans for reconstructions, completion and development of new projects primarily to those loan-applicants whose capital development corresponds to the basic directions of economic development in the year 1962 and in subsequent years.

4. With prior approval of the Federal Executive Council, the Yugoslav Investment Bank and the Yugoslav Agricultural Bank may use the unexpended money in the General Investment Fund which is earmarked under this Plan for investments in individual fields or branches or for individual purposes, for investments planned in other fields or branches or for other purposes envisaged by this Plan.

5. The Federal Executive Council is hereby authorized to fix the guidelines and limits up to which the banks which grant investment loans from federal funds may conclude investment loans with investors for various purposes in accordance with the Social Plan of Economic Development of Yugoslavia during the 1961-1965 period.

6. The money lying in the General Investment Fund and earmarked for investments in the fields of industry and mining, shall be used by the Yugoslav Investment Bank and the Yugoslav Agricultural Bank:

(1) for the meeting of their obligations under the already concluded loans in previous years;

(2) for the granting of new loans in the following branches: ferrous metallurgy; coal which will ensure the planned development of ferrous metallurgy; oil - especially for the opening of oil and natural gas fields; non-metals for the development of cement works; chemical industry; non-ferrous metallurgy and electro-economy especially to the laying of HT lines and building 220 KV transformer stations;

(3) for the meeting of their obligations in connection with the guaranteed investments on the territories of the People's Republic of Macedonia, People's Republic of Montenegro, and the Autonomous Region of Kosovo & Metohija;

(4) for reconstruction and adaptation of production plans for the purpose of improvement of production intended for export.

7. The money earmarked in the General Investment Fund shall be used by the Yugoslav Agricultural Bank primarily:

(1) the amount of 8,000 million dinars for land-reclamation work under the Law on the Financing of the Building of the Danube-Tisza-Danube Water System, and the amount of 3,000 million dinars for the land-reclamation work under the Law on the Financing of Land-Reclamation Work in the People's Republic of Macedonia, and for work on water system within the guaranteed investments on the territory of the People's Republic of Macedonia;

(2) the amount of 2,700 million dinars for improvement of water systems, for improvement of agriculture and for other investments in agriculture on the territory of the Autonomous Region of Kosovo & Metohija;

(3) the amount of 300 million dinars for investments in agriculture on the territory of the People's Republic of Montenegro;

(4) the amount of 61,000 million dinars for the meeting of obligations under the demands of previous years and for the giving of new loans, primarily for equipping socialist farms for production of specific products, for expansion of the areas of socialist farms, for their organisation and equipping, for purchase of mechanization for the purpose of a more efficient production on socialist farms and an as large as possible cooperation with private producers, as well as for other purposes specified in this Plan.

The Yugoslav Agricultural Bank may coordinate the existing credits on which financing has not yet started, with respect to the purpose for which these are to serve, with the orientations mentioned here-above.

8. The money in the General Investment Fund earmarked for investments in the field of forestry, shall be used by the Yugoslav Investment Bank and the Yugoslav Agricultural Bank:

(1) for the meeting of obligations under previously concluded contracts and for new loans - 1,900 million dinars;

(2) for subsidy to the public investment fund of the People's Republic of Macedonia - 100 million dinars.

9. The money in the General Investment Fund earmarked for investments in the field of building trade, shall be used for the financing of the purchasing of mechanization for building.

10. The money in the General Investment Fund earmarked for investments in the field of transport and communications, shall be used by the Yugoslav Investment Bank as follows: for the building of new and modernization of the existing railway lines and hubs; for the building of sea and river ports, roads, aerodromes and other transport and communications structures of general Yugoslav significance; for purchase vehicles for railway and road transport and floating craft for sea, river and lake transport; for signalling and safety devices in railway transport and for reloading mechanization; for the building of structures and purchase of equipment for urban and inter-urban telephone, telegraph and radio connections; for studies and projects in transport and communications services.

Within the framework of financing of the development of the projects referred to in Paragraph 1 of this Item, the Yugoslav Investment Bank shall provide a sum of 5,000 million dinars for the building of the "Brotherhood and Unity" Road on the territory of the People's Republic of Macedonia; a sum of 3,300 million dinars for the building of roads and seaports on the territory of the People's Republic of Montenegro; and a sum of 2,500 million dinars for the building of roads and railway lines on the territory of the Autonomous Region of Kosovo & Metohija.

11. The money in the General Investment Fund earmarked for investments in the fields of commerce, hotel industry and tourism, shall be used by the Yugoslav Investment Bank for the meeting of the already created obligations.

12. The money referred to in Item 2, sub-item 1) c) of this Section, shall be used by the Yugoslav Investment Bank:

(1) for assisting development of the economically underdeveloped parts of the country, a sum of 20,000 million dinars for reconstruction and expansion and for the building of new, primarily industrial, installations in those parts;

(2) a sum of 1,500 million dinars for the financing of investments in scientific-research activities; and

(3) a sum of 2,000 million dinars for the financing of investments for the building of the TV network.

13. Pending the introduction of a law on the setting up of a fund for the financing of investments in the economically underdeveloped parts of the country, the Federal Executive Council may issue detailed regulations on the use of the money earmarked in this Plan for development of the economically underdeveloped parts of the country.

14. The guaranteed investments under this Plan and other uncompleted capital investment projects for which loan contracts were concluded up to the end of the year 1960 on the territories of the People's Republic of Macedonia, People's Republic of Montenegro and the Autonomous Region of Kosovo & Metohija, shall be financed in the year 1962 from the General Investment Fund under the conditions governing the financing of these investments in the year 1960.

15. The annuities on the amounts on the concluded loans granted from federal funds and from the General Investment Fund on the territories of the People's Republic of Macedonia, the People's Republic of Montenegro and the Autonomous Region of Kosovo & Metohija from the beginning of 1953 to the end of 1960, shall be paid into the public investment funds of the People's Republic of Macedonia, the People's Republic of Montenegro and the Autonomous Region of Kosovo & Metohija until final repayment of those loans.

16. The money in the General Investment Fund earmarked for loans for working capital of economic organisations, shall be given, as loans, by the Yugoslav Investment Bank and the Yugoslav Agricultural Bank to those loan-applicants whose fixed assets are financed, totally or partially, from the General Investment Fund. These loans shall be given to those loan-applicants to whom loans are granted for fixed assets from the General Investment Fund subsidy to the social investment funds of political-territorial units.

The Federal State Secretariat for Finances shall apportion the moneys referred to in Item 2, sub-item 2) of this Section, which the Yugoslav Investment Bank and the Yugoslav AAgricultural Bank will use for the purposes mentioned in Paragraph 1 of this Item.

17. The Federal Executive Council are hereby authorized to prescribe detailed directives for use of money from the General Investment Fund and, as an exception, also specify individual more important projects in a field, branch or activity for which the Yugoslav Investment Bank and the Yugoslav Agricultural Bank will provide money for the giving of investment loans.

The Federal Executive Council, or an agency empowered by it, may prescribe a simplified procedure for use of the moneys referred to in Section II, Item 2, of this chapter, intended for the building of communications and purchase of equipment for forestry production, for the purpose of the carrying out of the expanded plan of production and export of soft timber.

Chapter XIV.

THE CREDIT POLICY MEASURES.

In order that the credit policy and credit mechanizm could be used as effectively as possible for the carrying out of the basic tasks under this Plan and for ensurance of economic development, production and trade, the following credit policy measures are planned:

(1) the total growth of working capital in economy in the year 1962 should reach a level corresponding to the growth of the social gross product envidaged by this Plan.

This growth should be financed primarily with funds of economic organisations, with the money lying in the social investment funds and with bank credits up to 191 billion dinars.

(2) The National Bank shall provide funds for the increase in the amount of consumer credits in the year 1962. The Federal Executive Council may prescribe that the Communal Banks also participate in the financing of these credits with their bank capital and fix the amount of that participation.

(3) For the purpose of maintenance of stable relations in the market, the banks should by their credit policy ensure that the envidaged increase in total bank creditd be achieved parallel with the tempo of development of production and trade.

(4) In the carrying out of their credit policy in the year 1962,the budiness banks should be guided by the principle that those economic organisations which use their funds in a rational way and which in making plans for expending their funds provide also the necessary amounts for investment in working capital, have priority in obtaining bank credits.

The business banks should give special priority in connection with the granting of bank credits in 1962 to these economic organisations which increase production for export.

5. The bank money referred to in Article 19 of the Law on Credits and other Banking Business may be used by business banks in the year 1962 for the financing of invetments in fixed assets, with the exception of the money obtained through bonds and fixed deposits.

In addition to the money referred to in the preceding paragraph, the Communal Banks may use, for the financing of investments in fixed assets, also up to 20% of savings deposits and of life insurance premium reserves.

6. For the purpose of improvement of our credit system and creation of better conditions for a more successful carrying out of our credit policy in the year 1962, definite amounts of money shall be transferred from the central deposits with the National Bank to the Communal Banks and other business banks.

The Federal Executive Council shall determine what central deposits and to what banks will be transferred in accordance with the provision of the preceding paragraph.

It may be determined by regulations of the Federal Executive Council that the money referred to in the preceding paragraph, in full or in part, be used primarily for repayment of credits obtained by the Communal Banks and other business banks from the National Bank.

7. It should be ensured by credit plans and credit policy measures of the Communal Banks that:

(A) all funds on the territories of Communes be used in a more expendient way for the requirements of economy, and that the most economical use and quickest turnover be made;

(B) the spending of these funds be done in accordance with the basic aims of our credit policy as laid down in Social Plans; and

(C) the principle of self-financing of business requirements of economy be realized as consistently as possible.

8. For the purpose of a fuller inclusion of the Republic Banks in the financing of economic development, certain credits which the Communal Banks draw from the National Bank and from specialized banks shall be transferred to these banks.

The Federal Executive Council shall determine what credits referred to in the preceding paragraph will be transferred to the Republic Banks.

It may be prescribed for the year 1962 by the Social Plans of the People's Republics that the Communal Banks keep with the Republic Banks a special obligatory reserve of up to 5% of all the funds of the Communal Banks.

9. By their credit plans and credit policy measures, the Republic Banks should endeavour:

(A) to have the funds inside a Republic directed towards the carrying out of the tasks set in the Social Plan of the respective People's Republic;

(B) to ensure the following of the guidelines of the general credit policy with respect to orientation of central funds towards those fields and branches of economy to which a definite priority is given by this Plan; and

(C) to ensure the financing of the requirements in working capital in the backward parts of the country, using both the funds which have been transferred from the central sources, and other funds which stand at the disposal of these banks.

10. The specialized banks shall introduce their credit plans in accordance with the credit policy laid down by this Plan.

11. Whild increasing the bank credits referred to in Item 1 of this chapter, the National Bank should ensure credits:

(A) for investment in working capital of certain existing plants of the basic branches of industry;

(B) for investment in the working capital of the industry on the territories of the People's Republic of Macedonia, the People's Republic of Montenegro and the Autonomous Region of Kosovo & Metohija under the conditions which the Federal Executive Council will prescribe;

(C) for investment in the working capital of the organisations in the field of agriculture;

(D) for additional financing of export and import business; and

(E) for additional financing of the buying up of wheat, maize, sugar beet, oil-yielding plants, hemp, rice and tobacco.

The limits of credits for individual purposes referred to in the preceding paragraph will be fixed by the general credit plan.

12. In addition to the credits referred to in the preceding Item, the National Bank shall provide credits:

(1) for the Raw Materials Board and Food Board - in connection with their handling of state material reserves;

(2) for economic loans during the course of the year for coverage of federal expenditures in connection with the uneven inflow of the federal budget's revenues; the amount of these economic loans shall be determined by the Federal Executive Council; and

(3) for the Federation - for coverage of the deficit in the General Investment Fund in the year 1962 - up to the amount of 75,6 billion dinars.

13. For the purpose of streamlining of credits in accordance with the propositions of this Plan, the Federal Executive Council are hereby authorized to prescribe in the year 1962 for various kinds of credits a rate of interest which is lower than the rate at which the business banks pay interest on funds obtained from another bank for the giving of that kind of credits, or which is equal to that rate of interest.

14. The Federal Executive Council, or the organ empowered by it, may, should the economic trends during the course of the year so demand, change the level of the total amounts and the distribution of bank credits stated in this Plan.

15. In accordance with the provisions and guidelines of this Plan, the Federal Executive Council shall, on the proposal of the National Bank, introduce a general credit plan.

Chapter XV.

THE FEDERAL BUDGET.

The total expenditures in the 1962 Federal Budget shall amount to 634,695 million dinars.

Of the total federal revenues, the following shall go to the Federal Budget:

(1) 100.0% of the turnover tax which belongs to the Federation;

(2) 100.0% of the general turnover tax;

(3) 59.7% of the contribution from the income tax of economic organisations which belongs to the Federation;

(4) 59.7% of the tax on extra profit of economic organisations;

(5) 100.0% of the federal share in the common revenues of the Federation, the People's Republics and the People's Committees; and

(6) other revenues envisaged in the Federal Budget.

The budgetary reserves of the Federal Budget shall amount to 10,000 million dinars.

Chapter XVI.

UNDISTRIBUTED FUNDS AND RESERVES.

1. The obligatory reserves, in accordance with the provision of Article 3 of the Law on Establishment of Obligatory Reserve Funds, shall be built up in the year 1962 at the rate of 10% of the base referred to in Article 4 of that Law.

The highest rate for the building up of special, obligatory reserve funds which the People's Republics will prescribe in accordance with Article 5A of the Law on Establishment of Obligatory Reserve Funds, shall amount to 5% in the year 1962.

The General Investment Fund and the public funds for education will not establish the obligatory reserves referred to in Paragraphs 1 and 2 of this Item in the year 1962.

2. The money lying in the obligatory resrrve funds, with the exception of the obligatory reserve funds of economic organisations, set aside in the year 1961, may be spent in the year 1962.

3. The People's Republics, autonomous units, counties and boroughs must set aside 10% of the incomes to which they are entitled under the Law on Budgets and Financing of Independent Establishments, and which they acquire in the year 1962, as a special budgetary reserve which may not be used in the year 1962.

The political-territorial units shall set aside the special reserve referred to in Paragraph 1 of this Item only from the part of the income which serves for the meeting of their requirements which are financed from the budget or on the basis of financial programmes and special accounts, while they need not set aside this reserve from the part of their income which they give as subsidy to other political-territorial units and funds.

The special budgetary reserve referred to in Paragraph 1 of this Item, need not be set aside from the subsidies given to the budgets of the political-territorial units from federal funds.

The money representing the special budgetary reserve according to the final account of execution of the budget of a political-territorial unit for the year 1962, shall be put in the reserve fund of that political-territorial unit.

The People's Republics are authorized, as an exception to the provision of Paragraph 1 of this Item, to permit individual political-territorial units to use the amounts representing their special budgetary reserve, but the total amount of the money used in this way may not exceed 20% of the total amount of the accumulated special budgetary reserves of all the political-territorial units on the territory of a People's Republic.

The money representing the special budgetary reserves according to the final account of execution of the budget of a political-territorial unit for the year 1961, and set aside in accordance with the provisions of Chapter XX of the Federal Social Plan for the year 1961, may be used in the year 1962.

4. Of all the federal revenues and funds acquired beyond the amount necessary for coverage of the planned expenditures of the Federal Budget and of federal funds, federal economic reserves shall be formed.

The funds referred to in Paragraph 1 of this Item may be used by the Federal Executive Council for the carrying out of the tasks under this Plan, but on the basis of special decisions of the Federal People's Assembly.

Chapter XVII.

MARKET REGULATION MEASURES.

1. The Federal Executive Council, or the organ which it empowers, may:

(1) fix the selling prices and the method of price formation for goods and services;

(2) introduce regulations on price control for certain goods and services;

(3) introduce regulations on coordination of transport rates and time-tables;

(4) fix the ceiling prices and tariffs of communal economy, taxes and turnover tax which the political-territorial units prescribe and which have an influence on business expenses of economic organisations or on the standard of living of workers and office employees;

(5) in the case of import of goods and services, prescribe exemption from obligations towards the social community.

2. Pending introduction of separate federal laws, the Federal Executive Council may introduce amendments and supplements to the existing regulations on trade and payment transactions with foreign countries. The Federal Executive Council shall subsequently submit those amendments and supplements to the Federal People's Assembly for confirmation.

Chapter XVIII.

CONCLUDING PROVISIONS.

1. The social plans of the Boroughs, Counties and People's Republics should be in harmony with this Social Plan, and they should, every one in its own way, contribute, by the structure of investments and by other measures for the development of economy, raising of living standards and of personal consumption, to the accomplishment of the tasks under this Plan.

The plans of economic organisations should be in harmony with the aims and tasks of this Social Plan and the plans of the People's Republics, Counties and Boroughs.

2. The federal organs and the organs of the People's Republics, counties and boroughs shall, within the jurisdictions fixed by laws and the provisions of this Plan, undertake those measures which might help towards the fullest possible achievement of the aims and of the economic policy under this Plan.

3. The Federal People's Assembly recommends to chambers, guilds and economic organisations to make an analysis of the tasks under this Plan, and also to examine the ways and means of contributing in the most successful way to the achievement of the policy and aims under this Plan, to the reaching of the planned level and structure of production and of the amount of foreign trade, to the keeping of the domestic market supplied with goods, to the maintenance of the planned level of prices, and to the movement of personal incomes and the moneys of various funds.

4. This Social Plan shall apply as of January 1,1962.

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LAW ON THE 1962 FEDERAL BUDGET.

("Official Gazette of the FPRY"
No.52, Item No.754,
Belgrade, December 30,1961).

UKASE

PROCLAIMING THE LAW ON THE 1962 FEDERAL BUDGET.

BASED ON Article 72, Point 2, of the Constitutional Law on the Bases of the Social and Political System in the Federal People's Republic of Yugoslavia and on the Federal Organs of Authority, the Law on the Federal Budget for the year 1962, which was adopted by the Federal People's Assembly at the meeting of the Federal Council of December 27,1961, and at the meeting of the Council of Producers of December 27,1961, is hereby proclaimed.

P.R. No.50.
Belgrade, December 29,1961.

President of the Republic,
JOSIP BROZ TITO (s).

President of the
Federal People's Assembly,
PETAR STAMBOLIC (s).

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LAW

ON THE

1962 FEDERAL BUDGET.

Article 1.

The Federal Budget for the year 1962 contains:

Revenues amounting to.......Dinars 634,695,000,000.-

Expenditures amounting to...Dinars 634,695,000,000.-

Article 2.

The 1962 Federal Budget expenditures are divided, according to the purpose for which they serve, into four parts, as follows:

(1) expenditures of the federal agencies, institutions and organisations - amounting to Dinars 58,239,600,000.-;

(2) expenditures on national defense, amounting to Dinars 269,656,000,000.-;

(3) the funds for the general public requirements - amounting to Dinars 85,228,400,000.-; and

(4) the funds for special purposes in the economy - amounting to Dinars 221,571,000,000.-

Article 3.

Appointment of new personnel in federal agencies, promotions and pay increases for personnel of federal agencies, may be done only within the limits of the funds provided for those purposes in Section 1, sub-section 53, appropriation 210.

The funds referred to in Paragraph 1 of this Article shall be used for the stated purposes in the way which the Federal Executive Council or the organ which the Council empowers shall determine.

As an exception to the provision of Paragraph 1 of this Article, the Federal Executive Council may increase the funds for wages and salaries from the budgetary reserves if, on the basis of regulations and acts of the Council, new organisational units are formed or the existing ones expanded, and it may reduce the funds earmarked for wages and salaries in the estimates of federal agencies if certain organisational units are abolished or the volume of work is reduced.

Article 4.

The money which the social security organs refund to be credited to personnel expenditures in the estimates of the federal agencies, may be used by the federal agencies for paying the persons who take on work provisionally, as well as for the giving of bonuses to their personnel.

Article 5.

The funds provided in the estimates of federal agencies for part-time work and overtime work, shall be used up to the amount and in the way which the Federal Executive Council or the organ empowered by the Council shall determine.

Article 6.

The Federal Executive Council may, by debiting the budgetary rerserves, use the amount of Dinars 50,000,000.- for the giving of special bonuses to the personnel of the federal agencies.

The funds referred to in Paragraph 1 of this Article may be distributed, for the same purpose, by the Federal Executive Council in round amounts among individual federal agencies.

Article 7.

The order-givers for the execution of the estimates of federal agencies may change the amounts of individual sub-allotments inside the material expenditures appropriations.

Any increase in operational expenditures at the expense of functional expenditures, and vise versa; any changes with respect to the purposes for which material expenditures may be made; as well as any change in the amount of the funds under one chapter at the expense of another chapter, may be done only with prior approval of the Federal State Secretariat for Finances.

Article 8.

Appointment of new personnal, promotion of personnel and increasing the pay of the personnel of the independent institutions vis-a-vis which the federal agencies exercise establishment rights, as well as of social organisations which receive a subsidy from the Federal Budget, may be done within the limits of the funds coming from the incomes of the independent institutions and social organisations, and by using the funds which are provided in this Budget for the requirements of those institutions and organisations.

Article 9.

Should certain agencies of federal administration obtain the status of an independent institutions, the Federal Executive Council shall determine whether the funds provided in the estimate of the agency whose status is changed will be used on the basis of a contract for the performance of specific activities or as a subsidy.

Article 10.

The treasurers of the funds provided in Section 3 shall be:

(1) The Federal Nuclear Energy Commission - for sub-allotment 1, appropriation 245;

(2) The Commission for Cultural Relations with Foreign Countries - for sub-allotment 4, appropriation 248;

(3) The Yugoslav Tourist Federation - for sub-allotment 9, appropriation 253;

(4) The Technical Aid Administration - for sub-allotment 10, appropriation 254;

(5) The Federal Institute for the Protection of Monuments of Culture - for sub-allotment 14, appropriation 258;

(6) The Federal Executive Council Secretariat for Transport and Communications - for sub-allotment 15, appropriation 259;

(7) The Federal Executive Council Secretariat for Industry - for sub-allotment 17, appropriation 261; and

(8) The Federal Executive Council Secretariat for Agriculture and Forestry - for sub-allotment 18, appropriation 262.

Article 11.

The funds provided in Section 1, sub-section [illegible], appropriation 211, sub-allotments 1, 2 & 3, and the funds provided in Section 3, sub-section 5, appropriation 249, sub-section 6; appropriation 250; and sub-section 7, appropriation 251, may be used on the basis of written contracts concluded in the name of the Federation by the Federal Executive Council Secretariat for Information.

Article 12.

The funds provided in Section 1, sub-section 54, appropriation 211, sub-allotment 4, and the funds provided in Section 3, sub-section 13, appropriation 257, may be used on the basis of written contracts concluded in the name of the Federation by the Federal Executive Council Secretariat for Public Health.

Article 13.

The funds provided in Section 1, sub-section 54, appropriation 211, sub-allotment 5, may be used on the basis of written contracts concluded in the name of the Federation by the Federal Executive Council Labour Secretariat.

Article 14.

The funds provided in Section 3. sub-section 8, appropriation 252, may be used on the basis of written contracts concluded in the name of the Federation by the Federal Executive Council Secretariats for Education and Culture and for Information.

The amounts of money for individual purposes shall be fixed by agreement by the Federal Executive Council Secretariats mentioned in Paragraph 1 of this Article.

Article 15.

The incomes which the Yugoslav State Lottery realizes, on the basis of the regulations, in its work for special purposes, shall be distributed for the requirements of the social organisations which perform humanitarian-social activities and for the investment requirements of the physical culture organisations, in the amounts fixed by agreement between the Federal Executive Council Secretariat for Social Politics and Communal Affairs, the Federal Commission on Physical Culture, and the Federal State Secretariat for Finances.

Article 16.

The funds authorized in the 1961 Federal Budget for investments but which agencies, establishments and organisations to which these funds had been given had not expended up to the end of the year 1961, shall be used for the same purposes in the year 1962.

Article 17.

The treasurers of funds and responsible authorities for the execution of the expenditures in Section 4, subsection 1, shall be:

(1) The Federal State Secretariat for Commerce - for appropriation 4-269;

(2) The Federal Executive Council Secretariat for Agriculture and Forestry - for appropriations 4-266 and 4-273;

(3) The Federal Executive Council Secretariat for Industry - for appropriation 4-267;

(4) The Federal Executive Council Secretariat for Transport and Communications - for appropriations 4-268 and 270;

(5) The Federal Hydro-Economy Commission - for appropriation 4-271; and

(6) The Federal Geological Institute - for appropriation 4-272.

The treasurers of funds shall submit to the Federal Executive Council quarter-annual reports on the execution of expenditures and on the achieved results.

Article 18.

The rebates, premiums and subsidies [illegible] provided in the Federal Budget for special purposes in economy, shall be authorized inaccordance with special federal regulations.

The treasurers of funds on the basis of the regulations referred to in Paragraph 1 of this Article shall lay down the conditions and fix the method of utilization of the funds for rebates and subsidies in agreement with the Federal State Secretariat for Finances.

Article 19.

The funds for advancement of economic fields shall be used on the basis of the programmes which the Federal Executive Council shall introduce on the proposal of the treasurers of the funds.

Article 20.

Requests for rebates and premiums in connection with work done up to the end of the year 1962, may be submittedup to March 31,1963, unless otherwise determined by special regulations on individual recompensations and premiums.

Article 21.

The Federal Executive Council may undertake measures in the direction of saving of budgetary funds and also change the amount of the funds intended for individual purposes against the funds provided in this Budget for other purposes.

For the measures referred to in Paragraph 1 of this Article, the Federal Executive Council shall subsequently seek approval of the Federal People's Assembly.

Article 22.

This Law enters into force on the date of its publication in the "Official Gazette of the FPRY", and it shall apply as of January 1,1962.

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REVIEW
OF THE
1962 FEDERAL BUDGET REVENUES AND EXPENDITURES.

	REVENUES:	
Part I. -	Federal Budget's share in common revenues...	34,350,000,000.-
Part II.-	Federal Budget's special revenues:	
	1. Turnover tax..............................	320,950,000,000.-
	2. Part of contribution from income of economic organisations..................	100,800,000,000.-
	3. Part of contribution from extraordinary incomes of economic organisations........	46,593,000,000.-
	4. Customs duties..........................	124,000,000,000.-
	5. Turnover tax on wine and brandy.........	1,200,000,000.-
Part III.-	Revenues of federal agencies................	4,700,000,000.-
Part IV.-	Other revenues..............................	2,102,000,000.-
	TOTAL REVENUES:	634,695,000,000.-
	EXPENDITURES:	
Part I.-	Expenditures of federal agencies, establishments and organisations:	
	1. Expenditures of federal agencies:	
	-Expenditures on personnel................	18,277,000,000.-
	-Material expenditures....................	10,231,000,000.-
	-Funds for pay increases, for promotions and for appointment of new personnel....	1,500,000,000.-
	2. Funds for activities of independent establishments.........................	909,300,000.-
	3. Subsidies:	
	- To independent establishments..........	936,300,000.-
	- To social organisations................	2,000,000,000.-
	4. Investments:	
	- New investments........................	9,411,000,000.-
	- Annuities on credits for house-building..	70,000,000.-
	5. Budget obligations and budget reserves:	
	- Budget obligations from previous years...	1,500,000,000.-
	- Budget reserves.........................	13,405,000,000.-
	Total Part I:	58,239,600,000.-
Part II.-	Expenditures on national defense............	269,656,000,000.-
	Total Part II:	269,656,000,000.-
Part III.-	Funds for general public requirements:	
	1. Subsidies to People's Republics and to the Autonomous Region of Kos.& Metohija..	38,680,000,000.-
	2. Disability emoluments of disabled war veterans including health protection.....	22,265,000,000.-
	3. Funds for various general public requirements..........................	24,283,400,000.-
	Total Part III:	85,228,400,000.-
Part IV.-	Funds for special purposes in economy:	
	1. Recompensations, premiums & subsidies....	98,935,000,000.-
	2. Funds for development of econ. fields....	13,500,000,000.-
	3. Refunds for reduced fares in passenger transport................................	6,200,000,000.-
	4. Funds for export premiums................	45,000,000,000.-
	5. Subsidies to investment funds for investments in tourism.................	3,236,000,000.-
	6. Obligations:	
	- Internal loans obligations............	1,200,000,000.-
	- Foreign loans obligations and for nationalized foreign property.........	53,500,000,000.-
	Total Part IV:	221,571,000,000.-
	TOTAL EXPENDITURES:	634,695,000,000.-